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Interregional Affairs

*Economic Situation in CIS Countries in 1995

964E0732A Moscow DELOVOY MIR in Russian 1 Mar 96 p 2

[Report of the Interstate Statistical Committee of the CIS: "The Economy of the Countries of the Commonwealth of Independent States in 1995"]

[FBIS Translated Text] Just as the entire period since 1991, 1995 was noted for a decrease in the volumes of gross domestic, industrial and agricultural output, capital investments, transport, retail commodity turnover, paid services and real incomes of the population and an increase in consumer prices and rates and the producer prices for industrial products.

The volume of the gross domestic product for the Commonwealth countries in 1995 dropped by 5 percent, as against 15 percent in 1994, that is, the rates of the drop decreased by 10 percentage points, including by 28 percentage points in Moldavia, by 17 in Kazakhstan, by 14 in Kyrgyzia, by 11 in Ukraine, by 9 in Russia, by 6 in Belarus, by 5 in Azerbaijan, by 2 in Uzbekistan and by 0.3 percentage points in Tajikistan.

The volumes of the gross domestic product in the Commonwealth countries is still considerably below the pre-crisis level. For example, the GDP of Uzbekistan in 1995 was 82 percent of the 1990 volume, of Russia — 62 percent, of Belarus — 61 percent, of Kyrgyzia — 50 percent, of Kazakhstan — 45 percent, of Ukraine — 44 percent, of Moldavia — 39 percent, of Azerbaijan — 38 percent, of Georgia (1994 as compared to 1990) — 20 percent. On the average for the Commonwealth countries, the GDP volume in 1995 was 58 percent of the 1990 level.

Singled out against the general background of decrease was an increase in the foreign trade volume: on the average for the Commonwealth in 1995, commodity export rose by 19 percent, and commodity import — by 17 percent. At the same time, the physical volumes of many types of exported and imported commodities decreased.

Inflationary processes took place in the Commonwealth countries in 1995. While noting the decrease in the overall growth rates of consumer prices in many Commonwealth countries (on the average for the Commonwealth in 1994, they increased by a factor of 7.5, and in 1995 — by a factor of 3.5), and the monthly (linked) rates of their increase, it should be emphasized that the rise in consumer prices that took shape during 1995 was approximately 70 percent of their total rise in 1991-1995. These prices rose particularly appreciably, as compared with 1994, in Belarus (by a factor of 8.1), Azerbaijan (by a factor of 5.1), Tajikistan (by a factor of 5*) and in Ukraine (by a factor of 4.8*).

Producer prices for industrial products rose to an even greater extent — on the average for the Commonwealth countries, by a factor of 4.7 (in 1994 they rose by a factor of 9.2).

The exchange rates of the national currencies continued to drop in most of the Commonwealth countries.

There was a further decrease in the real incomes of the population, intensification of the differentiation of the population by levels of income and consumption, and a deterioration of the composition of retail commodity turnover and consumption of food products and nonfood consumer items.

Structural Changes in the Economy

Structural changes took place in the national economy in all the Commonwealth countries.

In 1995, the proportion of gross accumulation in the structure of the GDP continued to decrease, on the average for the Commonwealth (in Russia it remained virtually at the 1994 level), which was the result of the decrease in the proportion of investments in fixed capital in the overall volume of the GDP, with a certain increase in it of the proportion of the change in the reserves of material working capital. In 1995, on the average for the Commonwealth, the proportion of investments in fixed capital (at current prices) was estimated as approximately 22 percent, which was 2 percentage points lower than in 1994. In Russia, the proportion of investments in fixed capital, calculated at current prices, decreased somewhat, but in real terms it remained at virtually the 1994 level.

In 1995, a decrease took place in the proportion of final consumption, which stemmed from the reduction in the physical volumes of retail commodity turnover.

The decrease in the proportion of gross savings and final consumption in the GDP was compensated for by an increase in the proportion of net export.

In 1995, in the production of the GDP in all the Commonwealth countries, there was a further decrease in the proportion of sectors producing commodities and an increase in the proportion of those producing services. At the same time, against the background of the organization and development of services characteristic of a market economy (financial, insurance, etc.), there was a decrease in the volume of traditional services such as transport, municipal and everyday. In 1995, according to estimates, on the average for the Commonwealth, the proportion of commodity production in the GDP almost equaled the proportion of services.

The structural changes taking place reveal the specific nature of today's economic development in most of the Commonwealth countries: against a general background of a continuing economic slump, a recovery is observed in a number of sectors of the fuel-energy, metallurgical and petrochemical complex, a state of stagnation in the sectors of the food industry and the agro-industrial complex, and a continuing decline in the machine-building sectors, particularly in the production of machinery and equipment, as well as in the light industry sectors and the sphere of paid services.

Institutional Reforms

The changes taking place in ownership relations are expressed in the shifts which characterize the structure of employment in various sectors of the economy (Table 1).

Table 1. The Structure of The Employed, by Sectors of the Economy (in % of the total number of employed)

	State sector		Private sector		Public organizations, foundations		Joint Ventures		Enterprises and organizations with mixed form of ownership	
	1994	1995	1994	1995	1994	1995	1994	1995	1994	1995
Azerbaijan	68.2	65.4	31.0	33.7	0.6	0.6	0.2	0.3	0.0	0.0
Armenia	56.1	54.6	43.3	44.7	0.5	0.6	0.1	0.1	-	-
Belarus	66.4	64.1	30.4	32.6	0.8	0.8	0.5	0.5	1.9	2.0
Georgia	-	-	-	-	-	-	-	-	-	-
Kazakhstan	76.4	74.0	20.1	22.7	0.4	0.4	0.3	0.4	2.8	2.5
Kyrgyzia	42.4	34.8	53.3	61.1	0.5	0.5	0.3	0.3	3.5	3.3
Moldavia	40.5	38.9	59.2	60.7	-	-	0.3	0.4	-	-
Russia	44.7	38.8	33.0	36.0	0.8	0.7	0.5	0.6	21.0	23.9
Tajikistan	52.8	51.4	46.1	47.5	0.6	0.6	0.1	0.2	0.4	0.3
Turkmenia	53.0	50.6	46.6	49.0	0.2	0.2	0.2	0.2	-	-
Uzbekistan	41.8	36.8	51.9	57.1	0.3	0.2	0.4	0.4	5.7	5.5
Ukraine	71.8	70.2	24.1	25.4**	-	-	0.4	0.4	3.7	4.0

** Including public organizations and foundations

The changes in ownership relations in the Commonwealth countries take place mainly in the form of denationalization and privatization.

At the same time, there has been activation of the processes of concentrating the rights of ownership, manifested mainly in the setting up of financial-industrial groups, including those on an inter-country level.

By the end of 1995, there were about 30,000 enterprises with foreign investments (from the countries of the rest of the world) set up on the territory of the Commonwealth countries, but only half of them were carrying out their own production activity (at the beginning of the year — one-third). The proportion of their export in the total export volume of the countries fluctuates from 1 percent to 7 percent, and of import — from 1 percent to 12 percent.

The number of joint ventures set up with partners from the Commonwealth countries is increasing. In 10 months of 1995, 40 such enterprises were registered in Kazakhstan, 1,042 in Russia and 63 in Uzbekistan.

An increase in the number of farm holdings has been observed in the agro-industrial complex of the Commonwealth countries.

The non-state sector occupies an increasingly important place on the consumer market of the Commonwealth countries, and in a number of countries — the predominating one.

According to the estimates of the national statistical services, in Azerbaijan and Armenia the basic proportion of consumer goods (70-80 percent) is sold on the personal property, food and mixed markets. In Kyrgyzia, the proportion of this trade was approximately 40 percent and in Kazakhstan, Russia and Uzbekistan — 24-29 percent. According to the estimates of the RF State Statistical Committee, 76 percent of the total volume of purchases of clothing, approximately 60 percent — of footwear, and about 70 percent — of knitted items is made by the population of the republic on the markets.

Exchange trading continued to develop. In this case, one-fourth of the yearly exchange turnover consisted of activity in buying and selling real estate, operations with commodity-raw material resources and currency accounted for approximately 30 percent each, and operations with stock assets — about 15 percent.

On 1 August 1995, there were 40 commercial banks registered in Armenia, 160 in Kazakhstan, 18 in Kyrgyzia, 27 in Moldavia, 17 in Tajikistan and 14 in Turkmenia. In Russia, with an overall increase in the number of commercial banks (on 1 January 1995 there were 2,517 and on 1 August 1995 there were 2,571), the proportion of small and medium-sized banks decreased. There was a particularly noticeable decrease in the number of banks with a charter fund from R100 million to R500 million — from 46 percent to 32 percent. Correspondingly, the proportion of quite strong banks increased: the number of banks with a charter fund of from R1 billion to R5 billion increased from 28 percent to 35 percent, and with a charter fund above R5 billion — from 7 percent to 18 percent.

The formation of the stock market (securities market) continued.

In Belarus, this market handled promissory notes, state short-term bonds and treasury bonds. In Kyrgyzia the basic securities are state treasury notes, and their secondary market has begun to function.

The developing state securities market in Russia, represented by state short-term bonds, federal loan bonds and short-term bonds, is being actively drawn into the sphere of state financial service. For example, while in eight months of 1994, the federal budget deficit was 83-percent financed through loans of the RF Central Bank, in January-August 1995, the basis for financing the budget consisted of incomes from the sale of state securities — 74 percent.

Finances

In most of the Commonwealth countries, the state budget is run with a sizable deficit.

In Kyrgyzia, the ratio of the deficit to the total of the state budget incomes was the largest (67 percent); as compared with 1994, it increased by 21 percentage points. In other Commonwealth countries with a budget deficit, this indicator varied from 30 percent in Armenia to 8 percent in Azerbaijan.

Azerbaijan and Russia have succeeded in substantially reducing the budget deficit. In these countries there is also a considerable reduction in the level of the budget deficit with respect to the state budget incomes.

The income part of the state budgets of the Commonwealth Countries has formed mainly through tax receipts.

The main proportion of tax receipts in the total of the state budget incomes is made up of profit tax and value-added tax, income tax and excise tax. In January-November 1995, the proportion of these taxes in the state budget incomes varied from 38 percent in Kazakhstan to 67 percent in Kyrgyzia. As compared with 1994, in most of the Commonwealth countries a reduction was noted in the proportion of receipts from these taxes in the total sum of state budget incomes; this reduction was particularly sizable in Belarus and Ukraine (by 9 and 8 percentage points respectively).

Social and cultural measures and the financing of the economy account for the basic part of the state budget expenditures of the Commonwealth countries. In January-November 1995, as compared with the same period in 1994, the proportion of state budget expenditures for social and cultural measures increased by 7 percentage points in Armenia, and was 29 percent of the total sum of the budget expenditures, in Kazakhstan —respectively by 6 percentage points and 37 percent, Kyrgyzia — by 6 percentage points and 60 percent, in Russia — by 3 percentage points and 27 percent, and in Ukraine — by 10 percentage points and 40 percent. The proportion of expenditures to finance the economy in the total sum of expenditures increased only in Kazakhstan, by 2 percentage points and was 16 percent; this proportion decreased in Armenia by 11 percentage points, and was 16 percent, in Kyrgyzia — by 4 percentage points and 9 percent respectively, in Russia — by 10 percentage points and 17 percent, and in Ukraine — by 19 percentage points and 14 percent.

In 1995, as compared with 1994, the release of money into circulation increased in the Commonwealth countries.

At the beginning of January 1996, the central banks of the Commonwealth states established the following exchange rates for the national currencies (Table 2)

Table 2

	National currencies exchange rate		Reference: national currency exchange rate on 1 January 1995	
	for 1 U.S. dollar	for 100 Russian rubles	for 1 U.S. dollar	for 100 Russian rubles
Azerbaijani manat	4,440	95.0	4,182	121.0
Armenian dram	402.0	8.400	405.51	10.70
Belarussian ruble	11,500	247	10,600	292
Georgian lara	1.25	0.025	-	-
Kazakh tenge	63.95	1.391	54.26	1.615
Kyrgyz som	11.20	0.2410	10.60	0.2985
Moldavian leu	4.50	0.095	4.27	0.104
Russian ruble	4,640	-	3,550	-
Tajik rubles	284	6.19	-	-
Turkmeni manat	200	4.310	75.0	2.310
Uzbek sum	35.5	0.765	25.0	0.712
Ukrainian karbovanets	179,400	3,860	107,900	3,120

The sizable credit emission contributed to inflationary processes in the Commonwealth countries. On 1 December 1995, credit had increased, as compared with the corresponding date in 1994, by a factor of 1.1 in Armenia, a factor of 2.4 in Azerbaijan, of 2.9 in Belarus, of 1.3 in Kazakhstan, of 1.8 in Moldavia, of 2 in Uzbekistan and a factor of 2.6 in Ukraine.

No noticeable changes occurred in the composition of credit issued in 1995. Because of the continuing devaluation of money and the high level of interest rates, the credit granted is primarily short-term in nature. In Armenia on 1 December 1995, its proportion accounted for 99.6 percent of the total sum of credit investments, in Azerbaijan — 87 percent, Belarus — 88.4 percent, Kazakhstan — 95.1 percent, Kyrgyzia — 99.9 percent, Moldavia — 92.6 percent, Uzbekistan — 86.9 percent, and in Ukraine — 89.3 percent. Credit investments were directed primarily to the spheres of the economy in which their recovery and turnover rate are at present considerably higher, particularly in trade-middleman and financial-commercial activity.

The refinancing rates established by the central banks of the Commonwealth countries still vary considerably. For example, in Armenia on 1 August 1995, this rate was 60 percent, in Kazakhstan — 55 percent, Kyrgyzia — 43 percent, Moldavia — 23 percent, Tajikistan — 120 percent, Turkmenia — 15 percent and in Russia (at the end of 1995) —160 percent.

The overdue indebtedness of enterprises and economic organizations for bank loans on 1 December 1995 was, in Armenia, 8,021 million drams and increased by a factor of 2.2 as compared with the corresponding date in 1994, in Belarus — respectively 735.7 billion Belarussian rubles and a factor of 12.4, Kazakhstan — 18.9 billion tenge and a factor of 1.3, Kyrgyzia — 2,925.8 million soms and a factor of 1.2, Uzbekistan — 3,295.1 million sums and a factor of 3.3, and in Ukraine — 38.5 trillion karbovanets and a factor of 2.8.

The indebtedness of the enterprises and organizations of the Commonwealth countries to Russian enterprises and organizations, including indebtedness for supplying fuel-energy resources and for state credit, was about R19 trillion at the end of the year. Indebtedness for supplies of fuel-energy resources accounted for the main part of it —R15.6 trillion, which is approximately equal to one-third of Russia's budget deficit. The indebtedness of the Commonwealth countries to Russia for state credit was R3.3 trillion.

Foreign Trade

In 1995, the export of the Commonwealth countries constituted U.S.$106 billion and exceeded the 1994 volume by $17 billion, or by 19 percent. This increase in export operations was provided by the growth of commodity export to the countries of the rest of the world (by 27 percent); the volume of export to Commonwealth countries remained at almost the 1994 level (increased by 0.7 percent).

The Commonwealth countries are hardly expanding the geography of their trade partners. As in preceding years, the basic trade partners among the Commonwealth countries are still Russia and Ukraine. These two countries account for 70 percent of the total volume of foreign trade operations between the Commonwealth countries. Of the countries of the rest of the world, the EU countries, China, the United States, Switzerland and Japan account for over 60 percent of the foreign trade operations. At the same time, for the rest of the Commonwealth countries, the contiguous states play a large role. Azerbaijan sends over 80 percent of its export to Iran, and Iran and Turkey account for over 60 percent of its import; Germany and Poland account for almost 30 percent of Belarus' export and about 40 percent of its import; China and Turkey account for over 50 percent of Kyrgyzia's export and almost 40 percent of its import; Romania accounts for about 50 percent of Moldavia's export and 30 percent of its import.

The proportion of the Commonwealth countries in world export remains negligible (2 percent), mainly because of the poor quality of the goods it produces and the narrow export products list.

The proportion of export operations between the Commonwealth countries dropped to 26 percent in 1995, as against 31 percent in 1994, and the proportion of the countries of the rest of the world rose from 69 percent to 74 percent.

The total import volume of the Commonwealth countries was $73 billion and increased over 1994 by 17 percent (from the Commonwealth countries — by 14 percent, and from the countries of the rest of the world — by 19 percent). The proportion of products imported to Commonwealth countries reaches from one-fifth to one-half of the amount of the GDP.

As before, the Commonwealth countries are provided with a number of the most important commodities through mutual supply, mainly of mineral products, synthetic-rubber plastic, rubber items, timber and items made of it, non-precious metals and items made of them, means of transport and products of vegetable origin.

The balance of trade between the Commonwealth countries turned out to be negative, in the amount of $2 billion. Import from the Commonwealth countries exceeded export in almost all its countries, with the exception of Kazakhstan, Turkmenia and Uzbekistan. The following showed negative results with respect to the balance of trade: Azerbaijan with Turkmenia; Armenia with Russia and Turkmenia; Belarus — with Russia; Kyrgyzia — with Kazakhstan; Ukraine — with Russia and Turkmenia.

Production

Industry. In 1995, the decrease in the volume of industrial production continued in the Commonwealth countries (with the exception of Armenia and Uzbekistan).

With an overall decrease in the volumes of industrial production in 1995, structural shifts were noted.

Whereas in 1994 the recession touched all the sectors of industry, in 1995, a number of sectors were observed to exceed the 1994 level. It should be noted that signs of an upswing are for the time being noticed in the sectors of the raw materials complex. For example, in Russia, the output of non-ferrous metallurgy increased by 2 percent in 1995, of the chemical and petrochemical industry — by 8 percent, of ferrous metallurgy — by 9 percent. In Kazakhstan, the output of non-ferrous metallurgy rose by 2 percent, of the chemical and petrochemical industry — by 3 percent, and of ferrous metallurgy — by 18 percent. In Belarus, the output of the chemical and petrochemical industry increased by 9 percent, and of the fuel industry — by 10 percent. At the same time, the production recession slowed down in a number of sectors, for example, in Russia — in machine-building, the building-materials industry, and the timber, woodworking and pulp-and-paper industry, in Kazakhstan — in the machine-building and building materials industry, and in Belarus — in the ferrous metallurgy and building materials industries.

At the same time, the production decrease continued in the sectors producing consumer goods, and particularly in the light industry: in 1995, the output of its products decreased by 62 percent in Kazakhstan, by 36 percent in Kyrgyzia, by 33 percent in Belarus and by 31 percent in Russia.

Table 6. Fuel Extraction in the Main Producer-Countries

	Oil, incl. gas condensate		Gas		Coal	
	mln tonnes	in % of 1994	bln cub. m	in % of 1994	mln tonnes	in % of 1994
Kazakhstan	20.5	100.9	5.9	132	83.2	80
Russia	307	97	595	98	262	97
Turkmenia	4.7	105	32.3	90	-	-
Ukraine	4.0	96	18.1	99	83.6	89

Kazakhstan increased the extraction of gas and oil and Turkmenia, the extraction of oil as compared with 1994.

The output of the basic oil products decreased in a number of countries. As compared with 1994, the production of motor vehicle gasoline dropped by 26 percent in Azerbaijan and by 1 percent in Kazakhstan, and of diesel fuel — by 4 percent and 5 percent respectively; of furnace residual fuel oil — in Kazakhstan — by 9 percent, and in Turkmenia and Russia — by 5-6 percent.

With an overall 10-percent decrease in machine-building output in Russia in 1995, an increase was noted in the instrument-making output (by 10 percent), the bearings industry (by 4 percent) and also in passenger vehicle output (by 5 percent). At the same time, the slump continues in the production of various types of machinery and equipment. For example, the output of metal-cutting machine tools decreased by 12 percent, of trucks — by 21 percent, of tractors — by 26 percent, of passenger railcars — by 31 percent, and of electric locomotives — by half. In Belarus, the production of metal-cutting machine tools decreased by 18 percent in 1995, and of tractors and motor vehicles —by 38 percent and 39 percent.

No substantial changes took place in the dynamics of the output of the food industry. The recession continues here.

As before, the light industry is in a serious position (Table 3).

Production of the Basic Types of Light Industry Products in 1995 (in % of 1994)

	Fabrics — all	Knitted items	Hosiery items	Footwear
Azerbaijan	68	54	41	25
Armenia	48	46	36	44
Belarus	124	58	76	48
Georgia	54	52	38	23
Kazakhstan	28	31	27	28
Kyrgyzia	37	33	58	47
Moldavia	117	71	43	66
Russia	81	55	81	69
Tajikistan	60	53	27	69
Turkmenia	106	138	153	104
Uzbekistan	-	-	-	-
Ukraine	59	41	41	51

Because of the break in economic relations and intensified competition with foreign firms, the production of many durable goods has decreased.

The continuing production slump entailed great losses of work time. The losses caused by long shutdowns (more than one shift) of the enterprises and production facilities in 1995 constituted 29.5 million man-days in Belarus, 21.0 in Kazakhstan, and 225 million man-days in Russia. It was mainly the enterprises and production facilities of the machine-building and metalworking sectors that shut down (in Belarus, they accounted for 47 percent of all the losses of work time, in Russia — 58 percent), and also those of light industry (in Belarus and Russia — 31 percent and 21 percent respectively).

Agriculture. In 1995, the Commonwealth countries (with the exception of Armenia and Moldavia) decreased the gross agricultural output as compared with 1994. Its volume, on the average for the Commonwealth, decreased by approximately 10 percent during the year (in 1994 — by 14 percent). The greatest reduction was noted in Tajikistan — by 28 percent, Kazakhstan — by 21 percent, in Georgia, Turkmenia and Ukraine — by 10 percent, in Kyrgyzia — by 9 percent, and in Russia — by 8 percent. In the other countries the rates of decrease fluctuated from 3 percent to 6 percent. At the same time, Armenia obtained a 2.5-percent increase in production, and Moldavia — a 6.5 percent increase.

In 1995, because of the cut-back in sown areas and the decrease in the harvest yield in most of the Commonwealth countries, the grain harvest decreased. According to preliminary data, on the average for the Commonwealth, 17 percent less grain, in post-processing weight, was gathered than in the 1994 harvest.

Livestock breeding. In many of the Commonwealth countries, the slump continued in all the livestock-breeding sectors in 1995.

During the year the number of livestock decreased by an average of 10 percent, including cows — by 6 percent, hogs — by 13 percent and sheep and goats — by 20 percent.

The efficiency of use of agricultural lands and the productivity of livestock breeding decreased virtually everywhere.

Many of the Commonwealth countries do not provide for the people's need for livestock breeding products through their own production, and are forced to import them (see Table 10).

Table 10. The Production and Consumption of the Basic Types of Livestock-Breeding Products, Calculated Per Capita in 1995 (estimate of the CIS Statkomitet)

	Meat and meat products, kg		Milk and milk products, kg		Eggs, pcs	
	consumption	production	consumption	production	consumption	production
Azerbaijan	14	11	142	106	75	63
Armenia	22	13	150	114	57	53
Belarus	55	62	352	490	302	329
Georgia	20	22	86	85	53	49
Kazakhstan	43	52	208	261	104	108
Kyrgyzia	40	39	185	193	35	33
Moldavia	27	32	150	190	110	134
Russia	55	40	240	265	211	227
Tajikistan	14	10	130	78	10	11
Turkmenia	24	19	173	152	60	57
Uzbekistan	33	23	173	165	50	56
Ukraine	38.5	45	245	331	172	182
On average for the Commonwealth	45	39	228	260	169	181

Construction

On the average, the Commonwealth countries utilized an estimated 16 percent fewer capital investments than in 1994, when the decrease constituted 23 percent.

The main sources of capital investments were the enterprises' and organizations' own funds. For example, in Belarus, the proportion of these funds in the total volume of investments was 47 percent, in Georgia — 63 percent, Kazakhstan — 92 percent, Russia — 63 percent and in Ukraine — 75 percent.

A number of Commonwealth countries attract foreign investments in the economy, but their proportion in the total volume of investments in 1995 was still negligible. In Azerbaijan, Belarus, Kazakhstan and Ukraine, they constituted less than 1 percent, in Russia — about 3 percent and only in Kyrgyzia — 70 percent.

On the average for the Commonwealth, 43 percent of the total volume of capital investments was directed toward the construction of facilities for the social sphere in 1995. Last year, through all sources of financing, 60.8 million square meters of housing were turned over for operation, which is 2 percent less than 1994.

The volumes of construction of education and public health facilities are smaller than in 1994. Through all sources of financing, the Commonwealth countries put into operation general education schools for 323,100 student places (this is 15 percent less than in 1994), preschool institutions for 40,500 places (42 percent less), hospitals for 15,600 beds (28 percent less) and outpatient polyclinics for 47,600 visits per shift (23 percent less).

There was a drop in the number of the population employed in all the Commonwealth countries.

The level of part-time employment remains high. For example, in Russia in November 1995, about 4 percent of those employed at the enterprises and organizations of various sectors of the economy were forced to work a part-time work week (day); 4.3 percent were on administrative leave, and moreover, over 40 percent of them received no wages during the period of their leave. In Kyrgyzia, these indicators were at a level of 3.7 percent and 10 percent respectively, and in Moldavia — 2.8 percent and 13.8 percent. The enterprises of the light industry, the machine-building, chemical and petrochemical industry, transport and scientific institutions were notable for the greatest amount of part-time employment.

The average amount of the unemployment benefits at the end of December 1995 was, in Azerbaijan — 4,400 manags, or 6 percent of the average wage, in Armenia — 2,015 drams and 24 percent, in Belarus — 101,200 Belarussian rubles and 10 percent, in Moldavia — 58 ley and 23 percent, and in Ukraine — 2,253,600 karbovanets and 17 percent.

The number of refugees and forced resettlers continued to rise. For example, in Russia it increased by 213,000 people in January-September 1995, and on 1 October constituted 915,300 people.

The law-enforcement agencies of the Commonwealth countries recorded about 4 million crimes in 1995, or 5 percent more than in 1994, when an average 4-percent decrease had been noted in this indicator. In 1995, crimes increased to the greatest extent in Ukraine (by 12 percent), Belarus (by 10 percent) and Azerbaijan (by 8 percent).

The monetary incomes and expenditures of the population. Converted to U.S. dollars, on the basis of the exchange rate established by the central banks of the Commonwealth countries, the average wage in December 1995 was $16 in Azerbaijan, $20 in Armenia, $88 in Belarus, $113 in Kazakhstan, $43 in Kyrgyzia, $55 in Moldavia, $167 in Russia, $5 in Tajikistan, $45 in Uzbekistan and U.S.$76 in Ukraine.

As before, the workers receiving the highest wages are in the credit, finance and insurance institutions, where they are higher than on the whole for the economy by a factor of 2-3, and this ratio has moreover been maintained for over two years.

In 1995, just as before, in many of the Commonwealth countries the rise in consumer prices outstripped the rise in the nominal monetary incomes of the population.

As a result of the outstripping rise in consumer prices, as compared with the rise in monetary disposable incomes, real monetary incomes dropped by 17.7 percent in Azerbaijan, by 22.5 percent in Belarus and by 13.9 percent in Kyrgyzia. In Russia, after a 1994 increase of 13 percent in real disposable monetary incomes, they decreased by 13 percent in 1995.

The consumer market. In 1995, the volume of retail commodity turnover, calculated at fixed prices, decreased by more than 10 percent on the average for the Commonwealth, as compared with 1994, although its volume at current prices rose, due to the effect of the inflation everywhere.

The public catering enterprise turnover dropped. For example, in Moldavia, the total volume of commodity turnover (at fixed prices) in 1995 was 96 percent in relation to 1994, but the public catering enterprise turnover was 86 percent, in Kyrgyzia — 91 percent and 80 percent respectively, in Kazakhstan (in January-November) — 81 percent and 78 percent, and in Russia — 93 percent and 76 percent.

The decrease in the real incomes of the population and the related cut-back in retail commodity turnover were reflected in the decrease in per capita consumption of the basic food products and nonfood commodity items. A deterioration in the nutritional pattern of the population because of the considerable decrease in the consumption of meat, dairy products and eggs, was noted in all the Commonwealth countries.

As compared with 1994, on the average for the Commonwealth, consumer prices for food products rose by a factor of 3.5, and for nonfood consumer items — by a factor of 3.0. As sample surveys of households showed, in virtually all the Commonwealth countries the proportion of the outlay for food in the expenditures of the population continued to increase, and reached 50-70 percent of all the expenditures to purchase commodities and pay for services, which is 10-15 percentage points higher than in 1991.

In a number of the Commonwealth countries, the consumer price dynamics in 1995 were characterized by the outstripping rise in prices for food products, as compared with the prices for nonfood consumer items. For example, in December 1995, as compared with December 1994, the level of prices for food products in Armenia was 26 percent higher, and for nonfood consumer items — 8.9 percent higher, in Kazakhstan —respectively 55 percent and 41 percent higher, in Kyrgyzia — 44 percent and 7 percent, in Moldavia — 24 percent and 12 percent; in Russia the growth rates of prices for food products was 223 percent, and for nonfood consumer items — 216 percent.

In all the Commonwealth countries, the pattern of the rise in consumer prices and rates for paid services showed outstripping rates of rise in the prices and rates for the goods and services which the population could not help but purchase. In the food group, these are — grain products (bread, flour, groats, macaroni items), milk, potatoes and meat products; among the nonfood consumer items — fabrics, some items of the wardrobe (clothing, hosiery items, footwear), tobacco items, fuel and medicines; in the lead among the paid services are rates for housing and municipal services, transport and communications services, child-care institutions, public health, sanatoriums and health resorts and health-improvement institutions.

Almost everywhere, the rise in prices and rates for paid services considerably outstripped the rise in consumer prices for commodities. Housing and municipal services rose in price to the greatest extent of all the paid services. For example, in Belarus, with an overall rise in prices and rates for paid services for the year (December 1995 as compared with December 1994) by a factor of 5.8, housing rent rose by a factor of 136.3, the rates for water supply — by a factor of 18.7, and for heating — by a factor of 15.1; in Kazakhstan — by a factor of 2.6, 4.3, 3.3 and 3.8 respectively. In Russia, with a rise in rates for paid services by a factor of 3.3 on the whole, housing services rose in price by a factor of 3.8, the charge for network gas — by a factor of 20, for hot water supply, heating and sewage — by a factor of 4.5-5. In Armenia, the rise in housing rent by a factor of 3.9 and the rise in the rate for municipal services by a factor of 2.6 outstripped the rise in prices for paid services on the whole.

Conventional designations: - not applicable, ... data lacking (not given), * estimated, calculated

[Box, p 2]

In January 1996, the CIS State Statistical Committee issued a short reference book, "Sodruzhestvo Nezavisimykh Gosudarstv" [The Commonwealth of Independent States], with the preliminary results of the socio-economic development of the Commonwealth countries for 1995.

The statistical publication, "SNG i YeS: fakty i tsifry, 1995" [The CIS and the EU: Facts and Figures, 1995], which contains an analysis of the socio-economic situation in the countries of the CIS and the EU, on the basis of over 200 statistical indicators, was published for the first time, in conjunction with the European Statistical Committee.

Telephone contact: (095) 207-42-37.

Fax: (095) 207-45-92.

Russia National Affairs

*Russia: Report on Socioeconomic Situation in February

964E0618A Moscow DELOVOY MIR in Russian 14 Feb 96 p 5

[Report based on data of Russian State Committee for Statistics: "Socioeconomic Conditions in February"]

[FBIS Translated Text]

Prices of Consumer Goods and Services

During the period between 30 January and 5 February:

The consumer price index was 100.9 percent;

The price index was 100.6 percent for foods, 100.5 percent for nonfood items, and 103.1 percent for paid services for the population;

The average cost of the group of 19 dietary staples was 243,600 rubles a month, or 0.5 percent more than on the previous recording date.

The consumer price index is presented below (in percentages):

Categories	In relation to previous recording date			Average daily rise in prices in first five days	
	22 Jan	29 Jan	5 Feb	February	January
Consumer price index	100.9	100.8	100.9	0.14	0.12
Foods	100.9	100.8	100.6	0.08	0.11
Foods, excluding produce	100.7	100.6	100.4	0.06	0.08
Nonfood items	100.7	100.6	100.5	0.07	0.10
Paid services	101.3	101.3	103.1	0.54	0.09

The consumer price index in the period since the beginning of the month was 100.7 percent: 100.4 percent for foods, 100.3 percent for nonfood items, and 102.7 percent for services.

The highest increase in the prices of consumer goods and service between 30 January and 5 February was recorded in cities of the Northwestern Region (2.1 percent), and the lowest increase in consumer prices was recorded in cities of the Central Region (0.6 percent).

FOODS: The price dynamics for the main groups of foods are presented below (in percentage of prices on previous recording date):

Foods	22 Jan	29 Jan	5 Feb	Since beginning of year
All foods	100.9	100.8	100.6	104.4
Meat and meat products	100.4	100.4	100.3	102.3
Fish and fish products	100.8	101.0	100.8	104.3
Butter and lard	100.8	100.5	100.1	103.0
Vegetable oil	99.8	99.8	99.6	99.0
Milk and dairy products	100.9	101.0	101.0	105.0
Eggs	101.4	101.2	100.7	101.2
Flour	100.3	100.1	100.1	101.4
Bread and baked goods	100.9	100.6	100.7	103.9
Noodles and cereals	100.9	100.7	100.5	103.6
Alcoholic beverages	101.2	100.6	100.6	104.0
Produce, including potatoes	103.0	102.7	102.0	115.3

Although food prices in general increased only slightly in the beginning of February, there were higher increases in produce prices: 3.1 percent for vegetables, 2 percent for apples, and 1.9 percent for potatoes. The prices of fermented-milk dairy products, frozen fish, and some cereals rose 1-1.5 percent. The prices of butter, margarine, flour, citrus fruit, champagne, and beer were almost the same as they had been the week before. The slight decline in the average prices of sugar and vegetable oil continued.

The highest increases since the beginning of the year were recorded in vegetable prices—19 percent (including 22 percent for cabbage and 19 percent for onions) and the price of potatoes—16 percent. Egg prices are 7.2 percent above the figure for the beginning of the year, and the prices of milk and dairy products, as well as most cereals, are 5 percent higher.

COMMODITY MARKET: The consumer market was in a state of constant balance throughout 1995, with the availability of goods at a high level and with a steady supply of commodity stocks. **Retail commodity turnover, including food service,** amounted to R553 trillion in 1995, which was 2.6 times as high as the figure for 1994. The amount of goods sold to the population during this period was 7 percent smaller.

The reduction of domestic market capacity ceased in May 1995. The physical volume of retail trade in December 1995 was 7 percent greater than in November. The following data illustrate changes in total retail commodity turnover in comparable prices:

Categories	1995		1994 in % of 1993	In % of same period in 1994				
	Trillions of rubles	In % of 94		1st quarter	2d quarter	3d quarter	4th quarter	December*
Total retail commodity turnover	553	93	100.1	90	94	91	95	107/97
trade enterprises	404	91	96	89	92	88	93	106/94
dry goods, combination, and food markets	149	98	113	92	100	96	102	110/104

* The numerator is the figure in percentage of November 1995, and the denominator is the figure in percentage of December 1994.

Trade in the markets was livelier than at trade enterprises last year, just as it had been in 1994. The goods sold in these markets represented 27 percent of all retail commodity turnover in 1995, as compared to 26 percent in 1994. At this time the markets account for the following percentages of purchases by the population—76 percent for clothing, 68 percent for knitwear, 61 percent for footwear, 44 percent for fruit, 30-34 percent for meat, vegetable oil, vegetables, and potatoes, 14-21 percent for butter and eggs, and 6-9 percent for sausage, sugar, and confectionery.

The trade in the markets is not only an additional source of commodity resources, but also a precise indicator of public demand. Market prices are more flexible, and this enhances their competitive potential. The geographic range of goods sold in the markets has expanded considerably.

The following data illustrate changes in retail trade, including food service, in 1995 (in percentages, in comparable prices):

Periods	In relation to previous month		In relation to same period in 1994	
	Retail trade	Food service	Retail trade	Food service
January	82	73	97	81
February	94	98	91	79
March	107	108	84	74
1st quarter		90	76	
April	95	112	86	84
May	109	89	100	82
June	100	101	95	78
2d quarter		94	81	

Periods	In relation to previous month		In relation to same period in 1994	
	Retail trade	Food service	Retail trade	Food service
1st half		92	79	
July	100	100.3	91	86
August	103	86	90	71
September	100.1	115	90	71
3d quarter		91	74	
Jan-Sep		92	77	
October	102	103	92	74
November	100	93	97	76
December	107	100	97	76
4th quarter		95	76	
2d half		93	75	
1995		93	76	

The following data illustrate the state of affairs in regional consumer markets in 1995:

	Number of regions displaying change in retail trade	
Index of physical volume of retail trade, %	**1995 in relation to 1994**	**Dec 95 in relation to Dec 94**
Up to 70	6	16
71-80	23	18
81-90	25	18
91-99	22	11
100		3
101 or more	13	23

Trade in the nonstate sector represented 87 percent of all retail commodity turnover last year, as compared to 85 percent in 1994. The following data illustrate the distribution of retail commodity turnover by property status:

Categories	**1995, trillions of rubles**	**% of total, 1995**	**% of total, 1994**
All retail commodity turnover	553	100	100
Nonstate sector	481	87	85
trade enterprises	332	60	59
dry goods, combination, and food markets	149	27	26
State sector	72	13	15

The nonstate sector's share of public catering is slightly smaller than its share of retail trade.

Retail trade supply levels are 90 percent or higher at enterprises of the nonstate sector in Moscow and St. Petersburg, Stavropol Kray, Kaluga, Vologda, Smolensk, Chelyabinsk, and Omsk Oblasts, and the Yamalo-Nenetsk, Aga, Buryat, and Koryak Autonomous Okrugs. The indicator is 56-67 percent in the republics of Kalmykia-Khalmg Tangch, Adygea, Bashkortostan, and Ingushetia and in the Taymyr Autonomous Okrug, and 33 percent in the Chukotsk Autonomous Okrug.

Nonfood items were still the prevailing element in the **macrostructure of retail commodity turnover** in the past year, but the proportional amount was lower than in 1994 because of a slight drop in effective demand.

The ratio of foods to nonfood items in retail trade varies dramatically in different regions of the Russian Federation. Whereas nonfood items represent 52 percent of all retail trade in Russia, the figure is 55 percent or higher in Moscow, St. Petersburg, the Chuvash Republic, the republics of Karachay-Cherkessia, Altay, Khakassia, North Ossetia- Alania, Tyva, and Ingushetia, Altay Kray, Ivanovo, Pskov, Kaluga, Voronezh, Lipetsk, Volgograd, Samara, Penza, Saratov, Ulyanovsk, Rostov, Tyumen, Irkutsk, and Chita Oblasts, and the Jewish Autonomous Oblast. The proportional amount of nonfood items in retail trade did not exceed 45 percent in the republics of Karelia, Komi, Mordvinia, Tatarstan, Dagestan, and Udmurtia, Khabarovsk Kray, Murmansk, Vologda, Bryansk, Vladimir, Kostroma, Ryazan, Smolensk, Tver, Kirov, Kursk, Astrakhan, Kemerovo, Kamchatka, and Magadan Oblasts, and the Chukotsk Autonomous Okrug.

In 1995 the population bought **food products** for R264 trillion and **nonfood items** for R289 trillion, 10 percent and 5 percent less, respectively, than in 1994 in terms of physical volume. In December the index of the physical volume of retail food sales was 106 percent in relation to November, and the index for nonfood items was 107 percent. The respective figures in relation to December 1994 were 99 percent and 94 percent.

The dynamics of the retail trade in foods and nonfood items are presented below (in comparable prices):

Periods	Foods, in % of:		Nonfood items, in % of:	
	Previous month	Same period in 1994	Previous month	Same period in 1994
January	78	94	85	99
February	98	94	90	89
March	110	86	105	82
1st quarter		91		89
April	94	82	95	90
May	107	91	111	107
June	99	88	101	101
2d quarter	87		99	
1st half	89		95	
July	99.6	85	100.4	97
August	105	84	102	94
September	103	85	98	94
3d quarter		85		95
Jan-Sep		87		95
October	103	92	102	92
November	100.1	95	100	98
December	106	99	107	94
4th quarter		96		95
2d half		91		95
1995		90		95

Food sales in the Russian Federation were lower than they had been in 1994 in 76 of the 89 regions, and sales of nonfood items were lower in 58 regions; these sales increased in 13 regions and 30 regions respectively. There was no change in sales of nonfood items in Moscow.

The following data illustrate changes in the sales volume and reserve stocks of the main foods and nonfood items:

Categories	1995, in % of 1994		Reserve stocks in retail trade on 1 Jan 96, in % of:	
	Total sales	Sales of trade enterprises	1 Jan 95	1 Oct 95
Meat and poultry	90	81	91	110
Butter and lard	76	66	145	96
Vegetable oil	103	86	148	165
Sugar	89	77	128	135
Eggs	94	70	92	54
Clothing and linens	92	73	76	84
Knitwear	96	82	98	91
Footwear	95	83	85	94

On 1 January 1996 retail trade enterprises had **reserve commodity stocks** worth R33 trillion, which was 2 percent below the figure for the same date in 1995 in comparable prices. The following data illustrate the dynamics of reserve commodity stocks in retail trade in 1995 (end-of-month figures):

Months	Trillions of rubles	In % of previous month, comparable prices	In % of same month in 1994, comparable prices
January	16.4	92	78
February	18.8	104	79
March	20.5	100.2	76
April	21.7	98	75
May	23.3	99.8	78
June	24.3	98.7	79
July	25.5	99.8	78
August	27.0	102	81
September	28.8	102	83
October	31.1	104	93
November	33.2	102	96
December	33.0	96	98

The supply of reserve commodity stocks in retail trade on 1 January 1996 was adequate for 39 shopping days, as compared to 33 days on 1 January 1995 and 42 days on 1 December 1995. The figure was 34 days at nonstate enterprises and 48 days at enterprises of the state sector.

The turnover rate of goods at nonstate enterprises was 1.6 times as high as at state enterprises.

In the past year the supply of reserve stocks increased in 65 territories of the Russian Federation, including the republics of Altay and North Ossetia-Alania and

Bryansk, Kurgan, and Chelyabinsk Oblasts—by 14-24 days; the supply decreased in 22 regions, including decreases of 14 days in Astrakhan Oblast, nine days in Kalmykia, and five days in Kemerovo and Magadan Oblasts; the supply of reserve stocks did not change in Leningrad and Sverdlovsk Oblasts.

The following data illustrate the distribution of regions of the Russian Federation in terms of the supply of reserve stocks in retail trade:

Supply of reserve stocks (days)	Number of regions		
	1 Jan 95	1 Dec 95	1 Jan 96
Under 35	59	22	37
35-45	13	34	29
46-55	4	10	10
Over 55	13	23	13

Imports represented more than half of all **commercial resources** in 1995. The relative quantities of domestic and imported goods in the consumer market are presented below (in percentages):

Commercial resources	1994	1995
Total	100	100
domestic	52	46
imported (including unofficial imports)	48	54

There is a greater variety of imported goods than domestic goods in many commodity groups. This applies above all to household and electronic equipment, many types of electrical appliances, clothing and footwear, tobacco products, and cosmetics.

The following data illustrate the relative quantities of domestic and imported nonfood items available in the trade network (in percentages, according to 1995 random survey results):

Items	Proportional imports* in goods on sale		
	March	June	December
Men's shirts	49	53	57
Men's trousers	33	45	46
Men's shoes	56	88	72
Women's blouses	50	62	65
Color television sets	80	82	84
Videocassette recorders	97	97	97

* Goods imported from countries of far abroad.

Proportional imports in all of the goods offered for sale at the end of 1995 throughout Russia were registered at 53 percent for chocolate, 51 percent for noodles, 50 percent for canned meats, 45 percent for cheese, 34 percent for sausage, and 25 percent for chocolate candy.

A survey of the managers (or owners) of retail trade enterprises by state statistical agencies in December 1995 indicated that the majority (71 percent) preferred to sell imported goods. The main reasons they cited were their rapid turnover (mentioned by 48 percent of the respondents), the more convenient terms of purchase (42 percent), the long shelf life of imported foods (23 percent), the better appearance of imported goods, and other reasons (13 percent).

The managers (or owners) of trade enterprises prefer to buy goods produced in the European countries, the United States, Canada, and Japan (named by 62 percent of the respondents) because of their higher quality (61 percent). A preference for goods from China, Korea, and Hong Kong was expressed by 30 percent of the respondents. The main reasons were the lower prices (mentioned by 57 percent) and the larger supplies (30 percent).

Commercial structures are the main source of imported goods in the retail network, as the following data illustrate:

Categories	Percentage of respondents
All imported goods	100
commercial structures	71
private individuals	18
commodity exchanges	1
state structures	9
other sources	1

The volume of trade in imported goods, in the opinion of 43 percent of all trade personnel, will stay the same;

41 percent believe it will grow, and 16 percent expect it to decrease.

Food service enterprises sold products worth R17 trillion in 1995, or 24 percent less than in 1994 in comparable prices. Turnover at food service enterprises in December 1995 was equivalent to 76 percent of the December 1994 figure and it was the same as the November 1995 figure.

The following data illustrate the state of affairs in different regions:

Index of physical turnover in food service, %	Number of regions displaying change in turnover between 1995 and 1994
Under 69	14
70-79	32
80-89	31
90-94	5
95-100	
101 or over	7

Turnover in food service in Ryazan Oblast in 1995 was 46 percent below the 1994 figure in comparable prices, and the figures for other regions were a decrease of 44 percent in the Jewish Autonomous Oblast, an increase of 8-15 percent in St. Petersburg and the republics of Dagestan and Sakha (Yakutia), and an increase of 40 percent in the Adygey Republic.

The reduction of turnover in food service was mainly due to the loss of customers by enterprises open to the general public and by cafeterias and snack bars in places of employment and academic institutions. Food service enterprises accounted for 3.1 percent of all retail commodity turnover, as compared to 3.4 percent in 1994.

The retail trade of consumer cooperatives last year amounted to R25 trillion, which was 2.1 times as high as the 1994 amount. The sales volume decreased by 27 percent.

The following data illustrate changes in the retail commodity turnover of **consumer cooperative enterprises**:

Periods	Retail trade		% of all retail trade	
	Billions of rubles	In % of same period in 1994 (comparable prices)	1995	1994
First quarter	4.8	76	5	6
Second quarter	6.1	68	5	7
First half	10.9	71	5	6
Third quarter	7.2	74	5	6
Fourth quarter	7.3	74	4	5
Second half	14.5	74	4	5
Year	25.4	73	5	6

The **availability of the main foods and nonfood items** (the indicator of availability is the number of stores offering the items for sale on the recording date in relation to the total number of surveyed stores selling these items in oblast, kray, or republic centers) was 15 percent higher in December 1995 than in January 1995 (and from 1.5 to 2.1 times as high for some food products) and 3 percent higher in December than in November 1995. The following data illustrate the dynamics of availability in 1995 (in percentages):

Products	Jan	Mar	Jun	Sep	Nov	Dec
Foods						
Beef	41	45	45	50	55	55
Butter and lard	54	75	81	81	82	82
Vegetable oil	69	74	73	61	79	83
Eggs	58	68	65	65	59	62
Sugar	60	70	68	75	83	85
Nonfood items						
Men's jackets	68	65	60	63	68	69
Men's suits	52	54	57	58	59	59
Women's fall coats	56	56	50	54	57	57
Men's shoes	59	59	62	65	68	68
Women's fall boots	74	71	53	60	66	64

The availability of goods in stores rose during December in 40 regions, dropped in 22, and stayed the same in the rest. The indicator rose 18 percent during this period in the Republic of Kalmykia—Khalmg Tangch and 5-10 percent in the Altay Republic and in Tula, Ivanovo, Tyumen, Kamchatka, and Sakhalin Oblasts; it dropped 5-8 percent in the republics of Karelia and Udmurtia and in Amur Oblast and 10 percent in the Republic of Khakassia.

The quality of goods in the consumer market does not always conform to mandatory requirements, as the data of the Russian Trade Committee illustrate:

Rejected and downgraded products	Jan-Sep 95	% of total goods inspected in Jan-Sep 94	% of total goods inspected in Jan-Sep 95
Poultry meat, tonnes	455	21	19
Sausage, tonnes	294	21	15
Whole-milk dairy products, tonnes	544	10	11
Vegetable oil, tonnes	724	31	38
Eggs, millions	8.4	31	28
Hosiery, thousands of pairs	39.3	30	41
Leather footwear, thousands of pairs		88.3	31

Some imports are also of poor quality. The proportional amount of fish products rejected in January-September this year was equivalent to 48 percent of all inspected imports, and the figures for other products were 39 percent for sausage, 31 percent for vegetable oil, 27 percent for poultry meat, and 17 percent for whole-milk dairy products.

Consumer Market Infrastructure: The number of legal entities registering retail trade or food service as their main field of operations at the beginning of 1995 (according to the first all-Russian census of 1 November 1994) was 94,000, whereas the number of commercialized trade organizations, offices, and trusts in the state trade network was just over 2,000.

The following data illustrate the network of trade enterprises (on 1 November 1994):

Enterprises with independent balance sheet	Thousands	Number of personnel, in thousands
Retail trade enterprises	85.1	2,545
Food service enterprises	8.9	387

In the Russian Federation as a whole, 83 percent of the trade enterprises are in the nonstate sector. Nonstate enterprises represent 84 percent of the retail trade network and 75 percent of the food service network.

The distribution of trade enterprises by property status is presented below:

Categories	Nonstate	State
Retail trade enterprises		
Number, in thousands	71.8	13.3
Average number of personnel per enterprise	28	42
Food service enterprises		
Number, in thousands	6.7	2.2
Average number of personnel per enterprise	37	63

The average number of personnel at state-owned retail trade enterprises is 1.5 times as high as at nonstate enterprises, and in food service the figure is 1.7 times as high.

Limited partnerships are the most common form of retail trade and food service enterprises. They account for 50 percent of the total.

The distribution of retail trade and food service enterprises by legal-organizational status is presented below (in percentages):

Categories	Retail trade	Food service
Limited partnerships	50	49
Open-type joint-stock companies	3	4
Closed-type joint-stock companies	6	5
Single-owner private enterprises	18	8
Consumer cooperatives	6	7
Other legal-organizational structures	17	27

According to census data, the goods for sale at almost one-third of all retail trade enterprises are predominantly (over 50 percent) from a single commodity group. Furthermore, the level of specialization is higher at enterprises selling foods than at those selling nonfood items:

Goods	Number of enterprises	% of all enterprises with independent balance sheet
Meat and canned meats	1,850	2.2
Fish and fish products	334	0.4
Milk and dairy products	711	0.8
Bread and baked goods	2,347	2.8
Alcoholic beverages	4,388	5.2
Produce	2,075	2.4
Fabrics of all types	378	0.4
Clothing and linens	1,479	1.7
Footwear of all types	837	1.0

The performance results of retail trade and food service enterprises indicate that the operations of nonstate enterprises are more productive than those of enterprises in the state sector under market conditions.

*Russia: Report on Socioeconomic Situation as of 19 February

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[Report prepared from RF Goskomstat data: "The Socio-Economic Situation on 19 February:]

[FBIS Translated Text]

Prices for Consumer Goods and Services

In the period from 13 to 19 February:

The consumer price index was 100.6 percent, and since the beginning of the year — 106.2 percent;

Prices for food products rose to 100.6 percent, for nonfood consumer items — 100.5 percent and for paid services for the population — 101.0 percent;

The average cost of the basket of the 19 basic food products, calculated for the month, was 246,900 rubles [R], which is 0.6 percent more than the preceding date of recording.

The Consumer Price Index (in percent)

	Compared to preceding price-recording date			Average price increase in period from 1 to 19	
	5 Feb	12 Feb	19 Feb	February	January
Consumer price index	100.9	100.7	100.6	0.10	0.14
incl. for:					
food products	100.6	100.6	100.6	0.08	0.13
of them: not counting fruit-vegetable products	100.4	100.4	100.5	0.06	0.08
non-food consumer items	100.5	100.5	100.5	0.07	0.08
paid services for the population	103.1	101.4	101.0	0.26	0.29

In the period since the beginning of the month, the consumer price index was 102.0 percent, including 101.6 percent for food products, 101.3 percent for nonfood consumer items and 105.1 percent for paid services for the population.

If the rates of price rise formed in February are maintained, it can be expected that the overall rise in consumer prices for the month will be 2.9-3.4 percent (in January 1996 — 4.1 percent).

The greatest rise in prices for consumer goods and services in the period from 13 to 19 February was recorded in the cities of the Volgo-Vyatka region (1.0 percent), and the smallest — in the cities of the Far Eastern region (0.3 percent).

Food Products.

The Dynamics of Prices for the Basic Commodity Groups of Food Products (in percent)

	Compared to preceding price-recording date			In the period since the beginning of the year
	5 Feb	12 Feb	19 Feb	
All food products	100.6	100.6	100.6	105.6
incl:				
meat and meat products	100.3	100.2	100.2	102.5
fish and fish products	100.8	100.5	100.8	105.7
animal oil	100.1	100.1	100.4	103.5
vegetable oil	99.6	99.6	99.8	98.4
milk and milk products	101.0	100.7	100.8	106.6
eggs	100.7	100.5	100.2	107.9
flour	100.1	100.2	100.0	101.6
bread and bread products	100.7	100.8	100.6	105.3
macaroni and grain products	100.5	100.5	100.5	104.7
alcoholic beverages	100.6	100.8	101.1	105.9
fruit and vegetable products, incl. potatoes	102.0	102.1	101.6	119.5

With an overall 0.6 percent rise in food product prices for the week, as before, the most noticeable rise in prices was for fruit and vegetable products: for fresh cabbage, onions, garlic and apples — by 2.3 percent and for potatoes and root plants — by 1.1-1.3 percent. Among the food products surveyed, prices for frozen fish, juices and canned fruit for children and vodka rose by 1.4 percent, and for some dairy products, rye and rye-wheat bread — by 1-1.1 percent. The average prices for sugar and vegetable oil continue to drop slightly.

In the period since the beginning of the year, the greatest increase has been in prices for vegetables — by 25 percent (including cabbage — by 29 percent, onions — 27 percent), apples — 22 percent, potatoes — by 19 percent. Eggs rose in price by 7.9 percent, vodka — by 7.3 percent, dairy products, fish, rye bread and rye-wheat bread, and the basic assortment of grain items — by 6.6-7.8 percent.

Among the economic regions, the most appreciable rise in prices for food products during the week was noted in the Volgo-Vyatka region — by 1.5 percent, where vodka rose in price by 13 percent, and some types of vegetables — by 6 percent.

The cost of the basket of the 19 basic food products on the average for Russia, according to conditions on

19 February of this year, was R246,900 calculated for the month, and increased by 0.6 percent over the preceding recording. The maximum cost of the basket was maintained in the cities of the Far East and the minimum — in the cities of the Volga, Central Chernozem and Ural regions. The differentiation between the maximum and minimum cost of the basket in the territorial centers of Russia was a factor of 3.6. The gap in the cost of the basket between the cities in the European section of Russia was a factor of 2.1, and between cities in Siberia and the Far East — a factor of 2.5.

In 22 percent of the territorial centers, the cost of the basket, as compared with the preceding recording, remained virtually unchanged, while in Blagoveshchensk and Kemerovo it rose in price by 5.7 percent and 3.2 percent respectively.

Nonfood Consumer Items

The Dynamics of Prices for the Basic Groups of Nonfood Consumer Items (in percent)

	Compared to preceding price-recording date			In the period since the beginning of the year
	5 Feb	12 Feb	19 Feb	
All nonfood consumer items	100.5	100.5	100.5	104.0
incl:				
Fabrics	100.8	100.8	100.5	105.1
Clothing and underwear	100.6	100.5	100.7	105.1
Footwear	100.5	100.5	100.5	103.5
Knitted items	100.8	100.8	100.6	105.0
Medicine and bandages	100.8	100.9	100.7	105.8
Fuel	103.9	101.1	100.6	109.2
Motor vehicle gasoline	99.9	99.9	100.1	100.3
Carpets and carpet items	100.3	100.2	100.4	103.0
Glassware	100.6	101.1	101.1	107.9
Printed publications	101.1	101.2	100.9	110.3
Television and radio items	100.4	100.2	100.2	103.2
Tobacco items	100.2	100.3	100.2	101.6
Electrical products	100.3	100.4	100.4	103.5

In the period from 13 to 19 February, the most appreciable increase occurred in the prices for some types of medicines (Valocordin, Corvalol, foreign-made analgesics) — 1.4-1.5 percent. Prices rose by 1.0-1.2 percent for some types of furniture, fuel for the population (firewood), printed publications (literary books) and glassware. Prices for fabrics, some types of clothing, primarily the fall-winter assortment, knitted items, furniture and watches increased by 0.5-0.9 percent. Prices for durable goods, motor vehicle gasoline and domestic filtertip and non-filtertip cigarettes remained virtually at last week's level.

In the period since the beginning of the year, the greatest rates of price rise were recorded for newspaper publications — 14.7 percent, some types of medicines (Valocordin, Corvalol) — 13.3 percent, and for coal for the population — 9.6 percent.

Paid Services for the Population

The Dynamics of Rates by Individual Groups of Paid Services (in percent)

	Compared to preceding price-recording date			In the period since the beginning of the year
	5 Feb	12 Feb	19 Feb	
All paid services for the population	103.1	101.4	101.0	113.6
suburban train	105.8	103.2	103.3	144.5
communications	104.5	100.9	100.7	113.7
of them:				
city telephone communication	105.7	101.3	101.2	116.2
housing and municipal services	104.3	101.5	101.0	115.0
of them, charges:				
for rent, in available municipal apartment houses	105.1	102.3	101.2	122.3
for electricity	101.2	100.2	100.8	105.5
for heating	106.2	101.2	101.1	118.3
for hot water supply	105.3	102.1	101.0	116.9
for network gas	100.7	101.0	100.6	105.6
child-care centers	101.6	102.4	102.4	114.8
public health	102.4	100.9	101.5	109.4

The rise in prices and rates for paid services for the population continues to outstrip the change in prices for consumer goods.

The greatest rise in prices during the week was for services to keep children at child-care centers and trips on suburban trains — by 2.4-3.3 percent. Some types of public health services (stomatological services) cost 1.5-3.2 percent more than a week ago, and lessons for children in general physical training groups cost 1.8 percent more. The rates for postal and telegraph communication services, as well as the cost of travel authorizations for sanatoriums and rest homes remained at last week's level.

Rates for paid services for the population rose unevenly in individual economic regions. Prices for services rose most of all in the cities of the Urals and Northern Caucasus economic regions — by 2.2 percent and 2.3 percent respectively. Moreover, while in the cities of the Urals region, the most substantial change occurred in the cost of children's attendance at childcare centers (by 11 percent), the operating expenses in ZhSK [house-building cooperatives] houses and the charge for network gas (by 5 percent), in the cities of the Northern Caucasus region the cost of travel on city transport and some types of ritual services increased more significantly (by 5-16 percent). In the cities of the Northwest and Far Eastern regions, rates for paid services increased minimally — by 0.2 percent.

In the period since the beginning of the year, the most significant rise occurred in the rates for travel on suburban trains (by 44 percent), rent — by 22 percent, and travel on city transport — by 19 percent.

Index of Consumer Prices by Economic Regions of Russia on 19 February 1996 (in percent of preceding recording)

Regions	Consumer price index	incl:			Reference: CPI for period since beginning of year
		food products	nonfood consumer items	paid services for the population	
On the whole for Russia	100.6	100.6	100.5	101.0	106.2
Northern	100.6	100.3	100.6	101.7	106.3
Northwestern	100.5	100.7	100.5	100.2	107.8
Central	100.5	100.6	100.4	100.5	105.3
Volgo-Vyatka	101.0	101.5	100.3	100.8	107.2
Central Chernozem	100.8	100.9	100.6	100.5	107.5
Volga	100.7	100.6	100.5	101.6	108.0
Northern Caucasus	100.6	100.3	100.3	102.3	105.8
Urals	100.9	100.7	100.5	102.2	106.1
West Siberian	100.7	100.9	100.6	100.5	106.4
East Siberian	100.6	100.5	100.8	100.6	106.2
Far Eastern	100.3	100.3	100.5	100.2	105.9

Cities of Russia* With Maximum and Minimum Cost of the Basket of the 19 Basic Food Products (on 19 February)

	Cost of the basket of 19 basic food products, calculated for the month, thous. rubles	Change in the cost of the basket, in % of the preceding recording
Cities with the maximum cost of the basket		
Yakutsk	543.9	99.9
Petropavlovsk-Kamchatskiy	518.6	100.9
Magadan	500.1	99.8
Yuzhno-Sakhalinsk	444.1	100.2
Vladivostok	393.8	99.4
Chita	340.7	100.4
Khabarovsk	340.3	99.5
Murmansk	319.8	100.1
Arkhangelsk	315.8	100.3
Blagoveshchensk	315.4	105.7
Cities with the minimum cost of the basket		
Ufa	196.5	100.7
Voronezh	195.6	100.6
Penza	194.2	100.7
Izhevsk	194.1	100.1

	Cost of the basket of 19 basic food products, calculated for the month, thous. rubles	Change in the cost of the basket, in % of the preceding recording
Yushkar-Opa	192.3	100.4
Tambov	191.4	102.4
Orel	186.4	100.4
Belgorod	176.2	101.0
Kazan	172.4	100.3
Ulyanovsk	150.4	101.3

* Capitals of republics included in Russian Federation, oblast and kray centers.

The basket of the 19 basic food products cost R288,400 (100.5 percent) in Moscow and R237,800 (100.2 percent) in St. Petersburg.

Leader-Cities* With Maximum and Minimum Prices and Rates for Individual Commodities and Services (on 19 February)

	Unit of measurement	Maximum price		Minimum price	
		city	rubles	city	rubles
Beef	1 kg	Yuzhno-Sakhalinsk	29,167	Ulyanovsk	8,880
Pasteurized milk	1 liter	Petropavlovsk-Kamchatskiy	8,234	Ulyanovsk	1,162
Eggs	10 pcs	Yakutsk	14,800	Ulyanovsk	4,300
Granulated sugar	1 kg	Magadan	7,900	Voronezh	3,050
Cotton fabrics	1 m	Yakutsk	14,500	Yaroslavl	4,202
Domestic filter-tip cigarettes	1 pack	Yakutsk	2,925	Kazan	810
Domestic analgesics	1 packet	Yakutsk	2,475	Khabarovsk	518
Travel on city motorbus	1 trip	Petropavlovsk-Kamchatskiy	2,000	Orel	200
Rent in available municipal housing	1 sq. m of housing area	Kazan	990	Ulyanovsk	30
Electric power	100 kW-hrs	Petropavlovsk-Kamchatskiy	24,000	Kazan	1,200
Network gas	per person	Tomsk	6,000	Tver	160
Municipal children's kindergarten	1 day visit	Murmansk	6,800	Tver	1,295

* Capitals of republics included in Russian Federation, oblast and kray centers.

Standard of Living of the Population

The Basic Socio-Economic Indicators of the Standard of Living of the Population

		in % of		Reference: January 1995 in % of	
	January 1996	December 1995	January 1995	December 1994	January 1994
Monetary incomes (average per capita), thous. rubles	639	82	204	79	332
Real disposable monetary incomes		78	100	67	103
Nominal credited wage per worker, thous. rubles	655 *	89	216	85	226
Real credited wage per worker		85	106	73	72
Average amount of designated pension (per month), thous. rubles	242 *	104 *	204 *	100.2	275
Real amount of designated monthly pension		99.4 *	99.9 *	85	87
Subsistence minimum (average per capita per month), thous. rubles	345	106	193	123	380
Number of population with monetary incomes below subsistence minimum, mln persons	37	129	95	160	110
in % of entire population	25				

* Estimate

Monetary Incomes of the Population

The real disposable monetary incomes in January of this year formed at the level of January 1995.

The balance of monetary incomes and expenditures of the population. In January of this year, the monetary incomes made up a total of R94 trillion, and rose by 104 percent as compared with December 1995. At the same time, the monetary expenditures of the population exceeded their current incomes and were R98 trillion, which is 9 percent less than in the preceding month and 96 percent more than in the corresponding month last year. The amount of money on hand decreased by R4.2 trillion in January of this year, as compared with December 1995.

The Monetary Income Structure of the Population

	January 1996	Reference	
		December 1995	January 1995
Monetary incomes	100	100	100
of them, utilized to:			
purchase commodities and pay for services	78.0	67.6	73.8
make obligatory payments and fees	6.3	6.1	7.3
accumulate savings in deposits and securities	6.2	7.3	5.9
purchase currency	13.9	12.8	24.9
Increase (+), decrease (-) in money on hand	-4.4	6.2	-11.9

Differentiation of incomes of the population

The Distribution of the Total Monetary Income Volume of the Population (in percent)

	January 1996	Reference
		January 1995
Monetary incomes	100	100
incl. by 20-percent groups of the population:		
first (with lowest incomes)	5.7	5.4
second	10.4	10.2
third	15.2	14.9
fourth	22.2	22.1
fifth (with highest incomes)	46.5	47.4
Coefficient of income concentration (Ginnie index*)	0.381	0.397
Ratio of incomes of the 10-percent of the best well-off and least well-off population, factor	13.5	14.2

*) Indicates the degree of unevenness in the distribution of the population according to the level of income. If there is an equalizing distribution, each group receives an income proportional to its size, and if there is considerable unevenness, the predominant part of the total income volume is concentrated in the (size) group that is proportionately small.

The Distribution of the RF Population by Amount of Average per Capita Monetary Income in January 1996

	Million persons	In % of the total
Entire population	148.2	100
including those with average per capita monetary income per month, thous. rubles		
up to 100.0	0.6	0.4
100.1-200.0	8.5	5.7
200.1-300.0	18.4	12.4
300.1-400.0	21.7	14.6
400.1-500.0	20.3	13.7
500.1-700.0	30.9	20.8
700.1-1,000.0	25.4	15.2
over 1,000.0	22.4	15.2

In January, the share of the 10 percent of the best well-off population accounted for about 30 percent of the monetary income (in January 1995 — about 35 percent), and the share of the least well-off population —2.3 percent (in 1995 — 2.5 percent); 62 percent of the population had incomes below the average level.

Subsistence minimum. The amount of the subsistence minimum, determined according to the methodology of the RF Ministry of Labor, was R345,000 rubles per person in January 1996.

Change in the Amount of the Subsistence Minimum (thous. rubles/month)

	Entire population	Including			Correlation of average per capita monetary income to subsistence minimum, in %
		Able-bodied	Pensioners	Children	
January 1995	179	202	126	181	172
December 1995	327	368	231	333	239
January 1996	345	389	244	349	185

In January 1996, the correlation of monetary incomes to the subsistence minimum exceeded last year's level (185 percent as against 172 percent in January 1995).

The average per capita monetary incomes of 25.1 percent of the population (37 million persons) in January 1996 were below the subsistence minimum.

The Dynamics of the Number of the Population With Monetary Incomes Below the Subsistence Minimum

	Million people	In % of total number of population
December 1995	28.9	20
January 1996	37.1	25

In January 1996, **the income deficit,** estimated as the sum of the additional funds needed to bring the incomes of the needy groups of the population up to the level of the subsistence minimum, was R3.5 trillion, or 4.0 percent with respect to the total volume of monetary incomes (in January 1995, respectively R2.9 trillion, or 5.3 percent).

Wages. According to estimates, the average credited wage in January 1996 was R655,000, and had increased by 116 percent as compared with January 1995. The 11-percent decrease in the size of the credited wage in January 1996, as compared with December 1995, was connected with the one-time payments made, according to the results of the year, at the end of 1995. The amount of the real credited wage in January 1996, calculated on the basis of the credited wage and the consumer price index, was 106 percent of the level of January 1995, and 85 percent of the level of December 1995.

The average monthly wage credited to workers in December 1995 was R735,500, and increased by 19 percent as compared with November 1995 (by 106 percent as compared with December 1994). Payments of a social nature in December constituted R99,300, and increased by 48 percent, as compared with November (by 106 percent as compared with December 1994). The amount of the average wage, with the payments of a social nature, calculated on the basis of the consumer price index, in December 1995, was 89 percent of the level of December 1994, and 119 percent of November 1995 (not counting payments of a social nature, respectively 89 percent and 116 percent).

The total unpaid indebtedness for wages for the group of enterprises accounted for on 20 January 1996 was R20.4 trillion. In all, in January 1996, workers were paid R32.5 trillion in wages, which was R654,000, calculated per worker.

Data on the Average Credited and Paid Wage in 1995 and in January 1996 (calculated per average scheduled worker, thous. rubles)

	Wages credited during corresponding month	Overdue indebtedness for wages at beginning of month	Subject to payment on the basis of indebtedness*	Wages paid in corresponding month**	
				Actual	In % of that subject to payment
1995					
January	303	103	457	331	72
December	736	318	934	605	65
On average for year	484	170		435	
January 1996 (estimated)	655	328	983	654	66

* The sums subject to payment consist of the indebtedness at the beginning of the month and the wage credited for the preceding month.

** Including the sum of the income tax and contributions to the Pension Fund.

Average Monthly Wage Credited in December 1995 and Paid in January 1996, by Sectors of the Economy (thous. rubles)

			Overdue indebtedness for wages on 20 January 1996, calculated per worker	
	Average monthly credited wage	Average monthly paid wage	total	in % of credited wage
Total	736	654	410	56
incl:				
Industry	783	599	717	92
of it:				
electric power	1,458	1,073	1,219	84
fuel	1,863	1,377	2,069	111
incl:				
oil-gas extracting	2,058	1,771	1,991	97
oil-refining	1,179	1,292	203	17
gas (extraction and refining natural and casing-head gas)	3,795	3,009	4,297	113
coal	1,644	838	2,390	145
ferrous metallurgy	793	623	568	72
non-ferrous metallurgy	1,475	795	1,539	104
chemical and petrochemical	634	408	520	82
machine-building	501	306	565	112
timber, woodworking and pulp-and-paper	669	553	609	91
building materials production	656	518	540	82
glassware and china-pottery	523	405	315	60
light	352	269	276	78
food	780	745	307	39
incl: fishing industry	1,239	1,248	1,391	112
microbiology	665	378	566	85
milling and grinding and combined feed	1,042	934	161	15
printing	713	689	40	6
agriculture	390	317	455	117
construction	983	722	771	78
transport	1,060	919	446	42
education	522	420	255	49
public health	593	201	212	36
culture and arts	485	425	170	35

Overdue indebtedness to workers for wages. According to the data of the enterprises and organizations of industry, construction, transport, agriculture, education, public health, culture and the arts which were surveyed with respect to conditions on 20 January 1996, **the total sum of overdue indebtedness was R20.4 trillion, including R18.1 trillion in industry, construction, transport and agriculture.**

Data on the Volume of Overdue Indebtedness for Wages and the Number of Enterprises and Organizations Having This Indebtedness

	On 1 January 1996	On 20 January 1996	On 20 January 1996 in % of 1 January 1996
Number of enterprises and organizations with indebtedness for wages, thous.	39.9	71.6	43.6*
incl. in:			
industry	9.3	10.5	113
construction	6.8	7.8	115
agriculture	21.4	22.4	105
transport	2.4	2.9	123
education		13.9	
public health		6.5	
culture and the arts		7.6	
Volume of overdue indebtedness for wages, bln rubles	13,380	18,060* 20,436	135*
incl. in:			
industry	7,734	10,401	134
construction	1,941	2,934	151
agriculture	2,571	3,064	119
transport	1,134	1,661	146
education		1,398	
public health		823	
culture and the arts		155	

* The data are given for enterprises and organizations of industry, construction, agriculture and transport

The amount of overdue indebtedness for the group of sectors under consideration was 1.5 of the monthly wage fund of the enterprises which have this indebtedness.

	On 1 January 1996	On 20 January 1996
The volume of overdue indebtedness in % of the monthly wage fund of the enterprises and organizations having this indebtedness	141	150
incl. in:		
industry	131	157
construction	152	166
agriculture	200	173
transport	112	131
education		
public health		107
culture and the arts		106

In the coal industry, non-ferrous metallurgy, machine-building, the fishing industry, construction and agriculture, the volume of overdue indebtedness exceeds the contributed wage fund by a factor of 1.7-1.9.

Pensions. In January 1996, the average amount of the designated pension (allowing for compensation payments), according to estimates, was R241,700 a month, which, in relation to the amount of the subsistence minimum of a pensioner, is 99.2 percent.

The Following Data Characterize the Change in the Average Amount of the Designated Monthly Pensions

	Average amount of pensions, thous. rubles	Average amount, in % of		Average amount of pension in real terms, in % of	
		average amount of wage	average subsistence minimum of pensioner	preceding month	corresponding period last year
1995					
January	118.3	39	94	85	87
December *	233.4	32	101	100.7	85
January 1996 *	241.7	37	99.2	99.4	99.9

* Estimated.

*Russia: Socioeconomic Situation as of 4 March

964E0811A Moscow DELOVOY MIR in Russian 14 Mar 96 p 4

[Statistical review prepared based on data of Goskomstat of Russia: "Socioeconomic Situation on 4 March"]

[FBIS Translated Text] **PRICES ON CONSUMER GOODS AND SERVICES. For the period from 27 February through 4 March:**

—the consumer price index comprised 100.8 percent;

—growth of prices on foodstuffs and non-food commodity items comprised 100.5 percent, and on paid consumer services—102.4 percent;

—the average cost of an assortment of 19 basic food products comprised 248,800 rubles (R) computed for the week, which was 0.3 percent more than in the preceding week.

The consumer price index is presented below (in percent):

	Compared to previous date on which prices were recorded			Average daily growth of prices for the period from 1 through 4		
	19 Feb	26 Feb	4 Mar	March	February	Reference: For period since start of year
Consumer price index	100.6	100.5	100.8	0.13	0.14	107.6
Including on:						
Food products	100.5	100.5	100.5	0.07	0.08	106.8
Of these:						
excluding fruits and vegetables	100.5	100.4	100.4	0.06	0.06	104.7
non-food commodity items	100.5	100.6	100.5	0.06	0.07	105.2
paid consumer services	101.0	100.4	102.4	0.55	0.54	116.7

For the period since the beginning of the month, the consumer price index comprised 100.5 percent, including on food products—100.3 percent, on non-food commodity items—100.2 percent, and on paid consumer services—102.2 percent.

The greatest increase in prices on consumer goods and services for the period from 27 February through 4 March was recorded in the Central Chernozem and Urals regions (by 1.3 percent and 1.1 percent, respectively), and the least—in the Povolzhye and Northwestern regions (by 0.6 percent).

FOOD PRODUCTS. The dynamics of prices by basic commodity food groups are as follows (in percent):

	Compared to previous date on which prices were recorded			
	19 Feb	26 Feb	4 Mar	For period since start of year
All food products	100.6	100.5	100.5	106.8
Including:				
meat and meat products	100.2	100.2	100.2	103.0
fish and fish products	100.8	100.6	100.5	106.9
butter	100.4	100.2	100.1	103.9
vegetable oil	99.8	99.4	99.8	97.5
milk and dairy products	100.8	100.7	100.4	107.8
eggs	100.2	100.1	100.3	108.3
sugar	99.4	99.4	99.5	95.5
flour	100.0	100.1	100.0	101.7
bread and bakery goods	100.6	100.4	100.8	106.6
macaroni-cereal goods	100.5	100.4	100.4	105.6
alcoholic beverages	101.1	101.0	101.0	108.0
fruit and vegetable products, including potatoes	101.6	101.5	101.2	122.7

Among the monitored food products, the greatest increase in prices (by 2.6 percent) was recorded for vegetables, including fresh cabbage—by 3.6 percent. Rye and rye-wheat bread, juices and fruit preserves for baby food, and vodka increased in price by 1.1 - 1.2 percent; bread made from wheat flour, sour milk products and cottage cheese, frozen fish, non-alcoholic beverages and meals at public catering enterprises increased by 0.6 - 1.0 percent.

Prices on milk, potatoes, butter, canned meats, sausage goods, coffee and tea remained at practically the same level as they were at the end of February. The tendency toward decline in the average prices throughout Russia on sugar and vegetable oil is being retained.

The greatest increase in prices on food products was noted in the Central-Chernozem region (by 1.2 percent), and the least in the Volga-Vyatka economic region (by 0.3 percent).

The cost of an assortment of 19 basic food products on the average throughout Russia as of 4 march of this year comprised R248,800, computed per month, and increased by 0.3 percent as compared with the previous registration. The maximal cost of the assortment was retained in the Far East, and the minimal—in the Povolzhye, Central Chernozem and Volga-Vyatka regions. The differentiation between the maximal and minimal cost of the assortment in the territorial centers of Russia was equal to 3.5 times. The disparity in cost of the assortment between the regions of the European part of Russia comprised 2.1 times, and between the regions of Siberia and the Far East—2.5 times.

NON-FOOD COMMODITY ITEMS. The dynamics of prices by basic groups of non-food commodity items are presented below (in percent):

	Compared to previous date on which prices were recorded			For period since start of year
	19 Feb	26 Feb	4 Mar	
All non-food commodity items	100.5	100.6	100.5	105.2
Including:				
fabrics	100.5	100.8	100.8	106.7
clothing and linens	100.7	100.8	100.6	106.6
tricot goods	100.6	100.6	100.5	106.2
shoes	100.5	100.7	100.5	104.8
tobacco goods	100.2	100.2	100.3	102.1
rugs and carpeting goods	100.4	100.5	100.5	104.0
glass dishware	101.1	101.1	100.6	109.8
electrical appliances	100.4	100.6	100.2	104.3
automobile gasoline	100.1	99.9	101.4	101.6
television and radio goods	100.2	100.4	100.3	104.0
medicines and bandaging materials	100.7	101.5	100.5	107.9

Despite an insignificant overall increase in prices on non-food commodity items, prices rose most notably on fuel for the population (coal increased in price by 1.6 percent, firewood—by 1.5 percent); gasoline and individual types of medicines—by 1.4 percent, and woolen fabrics—by 1.1 percent. Prices on detergents, tobacco goods, furs and fur products remained at practically the same level as they were last week.

The greatest change in prices on non-food commodity items was recorded in the Urals and Central-Chernozem (by 0.7 percent) economic regions, and the least—in the East Siberian economic region (by 0.3 percent).

PAID CONSUMER SERVICES. The dynamics of tariffs by basic groups of paid consumer services are presented below (in percent):

	Compared to previous date on which prices were recorded			For period since start of year
	19 Feb	26 Feb	4 Mar	
Paid consumer services	101.0	100.4	102.4	116.7
Including:				
Household services	101.2	101.2	100.8	109.4
Passenger transport	100.8	100.3	105.0	122.2
Including:				
city bus	100.6	100.1	104.5	126.6
streetcar	100.8	100.0	103.1	127.0
trolley	100.6	100.0	103.0	120.6
metro	100.0	100.0	100.0	109.7
suburban train	103.3	100.0	101.5	146.7
Communications	100.7	100.0	102.2	116.3
Including, citywide telephone communications	101.2	100.0	102.6	119.2
Housing-municipal services	101.0	100.2	101.5	117.0
Including payment for:				
rent for apartment in buildings of the municipal housing fund	101.2	100.1	100.9	123.5
electricity	100.8	100.1	102.0	107.8
heating	101.1	100.2	100.8	119.4
hot water supply	101.0	100.1	101.1	118.3
gas supply	100.6	100.0	104.7	110.5
Children's pre-school institutions	102.4	100.4	101.7	117.2
Public health	101.5	100.5	100.9	110.9

For the period from 27 February through 4 March, paid consumer services increased in price by 2.4 percent. For the past week, public rates for transport of passengers and baggage on long-distance trains increased by 20 percent. The step-by-step increase in rates for passage on urban transport in individual cities of Russia continued (for the week it comprised an average increase of 3.0 - 4.5 percent). One passage on a city bus now costs the residents of Orel R500 (2.5 times more than a week ago), Krasnodar—R1000 (2 times more). Rates on paid gas supply services increased on the average by 4.4 percent, including payment for rarified gas (per person)—by 7 percent.

At the same time, rates for passage on the metro, postal services and telegraph communications, as well as rates for services of a legal character remained at the same level as they were at the end of February.

Among the economic regions at the beginning of March, the greatest rate increases on paid consumer services were seen in Uralsk region (by 3.9 percent), and the least—in the Povolzhye region (by 0.8 percent).

Consumer price index by economic regions of Russia on 4 March 1996 (in percent of previous registration)

Economic regions	Consumer price index	Including:			Reference: CPI [consumer price index] for period since start of year
		food products	non-food commodity items	paid consumer services	
On the whole throughout Russia	100.8	100.5	100.5	102.4	107.6
Including:					
Northern	100.9	100.5	100.6	102.9	107.7
Northwestern	100.6	100.4	100.4	101.5	109.2
Central	100.7	100.5	100.5	101.8	106.6
Volga-Vyatka	100.8	100.3	100.6	103.4	108.9
Central Chernozem	101.3	101.2	100.7	103.0	110.1
Povolzhye	100.6	100.6	100.4	100.8	108.9
Northern Caucasus	100.8	100.5	100.5	102.7	107.2
Urals	101.1	100.6	100.7	103.9	107.8
West Siberian	100.8	100.4	100.5	103.1	107.8
East Siberian	100.7	100.6	100.3	101.6	107.7
Far Eastern	100.7	100.5	100.4	102.1	106.9

Cities of Russia*) with maximal and minimal cost of assortment of 19 basic food products (on 4 March)

	Cost of assortment of 19 basic food products, computed per month, thousand rubles	Change in cost of assortment, in % of previous registration
Cities with maximal cost of assortment:		
Yakutsk	548.8	100.4
Petropavlovsk-Kamchatskiy	520.2	100.2
Magadan	500.0	100.2
Yuzhno-Sakhalinsk	447.7	100.8
Vladivostok	386.8	98.4
Chita	341.7	100.6
Khabarovsk	334.5	98.2
Murmansk	321.2	100.1
Blagoveshchensk	316.2	100.1
Arkhangelsk	313.4	98.8
Cities with minimal cost of assortment:		
Ulyanovsk	155.0	102.2

	Cost of assortment of 19 basic food products, computed per month, thousand rubles	Change in cost of assortment, in % of previous registration
Kazan	173.0	100.0
Belgorod	183.3	103.1
Tambov	191.4	99.7
Penza	195.1	100.3
Cheboksary	196.6	100.4
Lipetsk	197.8	97.5
Yoshkar-Ola	198.1	101.4
Ufa	198.4	100.6
Voronezh	199.3	100.9

* Capitals of republics within the complement of the Russian Federation, oblast and kray centers.

The cost of an assortment of 19 basic food products in Moscow comprised R290,900 (100.3 percent), and in St. Petersburg—R244,000 (100.5).

City-leaders*) with maximal and minimal prices and rates on various goods and services (on 4 March)

		Maximal price		Minimal price	
	Unit of measure	city	rubles	city	rubles
Beef	1 kg	Yuzhno-Sakhalinsk	29167	Kurgan	8924
Pasteurized milk	1 liter	Petropavlovsk-Kamchatskiy	8234	Ulyanovsk	1170
Eggs	10 eggs	Yakutsk	14800	Voronezh	4280
Granulated sugar	1 kg	Petropavlovsk-Kamchatskiy	7070	Voronezh	2990
Bread and bakery goods made of 1st and 2nd grade wheat flour	1 kg	Magadan	5867	Vladikavkaz	1333
Printed cotton fabrics	1 m	Yakutsk	14500	Yaroslavl	4153
Filter cigarettes, domestic made	1 pack	Yakutsk	2831	Kazan	816
Analgine, domestic-made	1 packet	Yakutsk	2475	Khabarovsk	450
Passage on city bus	1 passage	Petropavlovsk-Kamchatskiy	2000	Yaroslavl	300
Rent for apartment in buildings of the municipal housing fund	1 sq. m. living area	Kazan	990	Ulyanovsk	30
Electrical power	100 KW/hr	Petropavlovsk-Kamchatskiy	24000	Kazan	1200
Pipeline-supplied gas	for 1 person	Tomsk	6000	Tver	160
Municipal nursery school-kindergarten	1 day of attendance	Murmansk	6800	Tver	1295

* Capitals of republics within complement of Russian Federation, oblast and kray centers.

PRODUCER PRICES ON INDUSTRIAL PRODUCTS.

The change in average producer prices on industrial products in February 1996 corresponded to the growth of prices on consumer goods and services, and comprised 102.8 percent. For the period since the start of the year, the growth of prices on industrial products was less than the growth of consumer prices.

In February of this year, producer prices on means of production increased at a leading rate, as evident from the following data:

	In % of preceding month		February 1996 in % of December 1995	Reference: February 1995 in % of December 1994
	February 1996	January 1996		
Industry	102.8	103.3	106.1	142.0
Including:				
means of production	103.6	106.1	109.9	142.8
semi-finished goods	102.3	103.2	105.6	143.0
consumer goods	102.3	102.7	105.1	140.3

The change in producer prices on products in **various sectors of industry** is presented below:

	In % of preceding month		February 1996 in % of December 1995	Reference: February 1995 in % of December 1994
	February 1996	January 1996		
Electrical power production	101.3	104.2	105.5	136.3
Fuel industry	103.1	102.7	105.9	153.2
Ferrous metallurgy	102.5	103.1	105.6	140.6
Non-ferrous metallurgy	102.6	101.0	103.7	138.5
Chemical industry	104.2	103.7	108.0	144.0
Petrochemical industry	102.9	101.7	104.6	133.9
Machine building	103.2	104.2	107.6	142.0
Timber, wood processing and cellulose-paper industry	101.6	102.5	104.1	140.1
Building materials industry	104.5	105.8	110.5	128.5
Light industry	102.7	103.2	106.0	133.1
Food industry	102.5	103.3	105.8	144.5

Among the observed sectors, the greatest price increase was noted at producer enterprises in the chemical industry and the building materials industry—by 4.2 percent and 4.5 percent, respectively. In the period since the start of the year, average production prices on products of enterprises in these sectors increased by 8 percent and 10.5 percent. The change in average prices in the building materials industry was generally caused by the growth of prices on building sand—by 8.9 percent (since the start of the year—by 12.1 percent), asbestos-cement pipes and fittings—by 8.2 percent (14.2 percent), cement—by 6.8 percent (12.5 percent), glazed ceramic slabs—by 5.9 percent (7.1 percent), and reinforced concrete structures and goods—by 5.3 percent (14.9 percent). In the chemical industry, there were notable price increases on caprolactam—by 15.5 percent (15.9 percent), caustic soda—by 10.9 percent (17.4 percent), and mineral fertilizers—by 5.9 percent (12.8 percent).

In the fuel industry and machine building, the growth of prices comprised 3.1 percent and 3.2 percent (since the beginning of the year—5.9 percent and 7.6 percent), respectively. In the fuel industry, prices on coal of the large and medium grades and marine fuel oil increased by 6.3 and 6.2 percent; on winter diesel fuel and AI-93 automobile gasoline—by 4.4 and 4.2 percent, respectively. In machine building, the increase in prices on certain types of products comprised 20 - 30 percent (on automatic concrete mixers and main line passenger cars—by 20 percent, on electric ore-carrier cars—by 28 percent; on high-voltage electrical apparatus, paper-making equipment and battery-operated trucks—by 30 percent).

The lowest increases were seen on products of electrical power production, as well as of the timber, wood-processing and cellulose-paper industry—by 1.3 and 1.4 percent, respectively.

Appendix. Change in producer prices on various types of industrial products

	In % of preceding month		February 1996 in % of December 1995	Reference: February 1995 in % of December 1994
	February 1996	January 1996		
Electrical power	100.9	104.5	105.5	137.2
Oil	103.4	100.9	104.3	148.3
Coal	102.8	110.6	113.7	175.1
Automobile gasoline	102.7	102.1	104.8	150.8
Diesel fuel	102.8	101.8	104.7	154.5
High-grade rolled stock	103.2	101.6	104.8	145.1
Sheet metal stock	102.1	100.8	102.9	143.8
Steel pipes	105.0	106.4	111.8	143.6
Aluminum	100.0	101.1	101.1	144.9
Copper	100.0	100.0	100.0	115.4
Mineral fertilizers	105.9	106.5	112.8	141.5
Synthetic resins and plastics	101.4	101.1	102.6	145.6
Artificial fibers and filaments	100.5	104.7	105.2	139.4
Synthetic rubbers	105.0	102.4	107.5	124.6
Tires for passenger cars	102.5	100.8	103.3	134.6
Alternating current electrical motors	100.0	107.5	107.5	128.1
Low voltage electrical apparatus	106.9	106.9	114.5	127.5
Metal-cutting machine tools	102.3	105.5	107.8	127.0
Passenger automobiles	100.3	101.0	101.3	126.4
Trucks	101.0	105.0	106.2	149.0
Tractors	106.2	102.0	108.4	179.5
Grain harvesting combines	100.0	119.7	119.7	134.7
Excavators	104.0	100.4	104.4	162.8

	In % of preceding month		February 1996 in % of December 1995	Reference: February 1995 in % of December 1994
	February 1996	January 1996		
Televisions	101.3	103.9	105.2	133.7
Refrigerators and freezers	100.9	101.4	102.3	139.7
Washing machines	106.0	102.8	109.0	140.4
Cement	106.8	105.3	112.5	129.5
Asbestos-cement sheets (roofing slate)	105.1	102.8	108.0	132.3
Prefabricated reinforced concrete structures and goods	105.3	109.1	114.9	127.6
Building brick	102.9	103.7	106.8	122.0
Building glass	100.1	103.6	103.6	133.6
Lumber materials	104.0	102.7	106.8	139.9
Paper	96.3	98.3	94.7	151.7
Furniture	104.4	104.1	108.6	133.8
Cotton fabrics	100.9	102.9	103.8	141.9
Linen fabrics	103.6	105.8	109.5	132.3
Woolen fabrics	103.5	106.0	109.7	134.4
Silk fabrics	101.4	105.3	106.8	144.5
Tricot goods	103.6	103.8	107.6	132.4
Stocking-hosiery goods	102.7	101.0	103.7	124.9
Shoes	102.6	102.7	105.3	119.8
Granulated sugar	97.0	99.1	96.1	123.0
Bread and bakery goods made from high-grade and 1st grade wheat flour	101.5	104.6	106.0	139.9
Sunflower seed oil	89.4	99.2	88.7	133.9
Beef	103.9	101.8	105.8	180.4
Sausage goods	101.5	102.7	104.3	147.2
Whole milk	105.0	104.8	110.0	172.4
Butter	103.7	104.2	108.0	185.3
Fatty cheeses	103.0	109.6	112.9	190.3
Frozen fish	102.1	102.3	104.4	140.2
Cereal of all types	106.9	105.2	112.4	136.2

LABOR MARKET. EMPLOYMENT. The number of the economically active population by the end of January 1996 comprised 73.0 million persons, or 49 percent of the country's total population. Of this number, 66.9 million persons (91.6 percent) were employed in the economy and 6.1 million persons (8.4 percent) did not have employment, but were actively seeking it, and in accordance with the methodology of the International Organization of Labor were classified as unemployed. There were 2.4 million persons, or 3.3 percent of the economically active population, officially registered with the employment service agencies. Table below presents unemployment figures for the end of each month, thousand persons:

	Total number of unemployed persons	Including those officially registered as unemployed	In percent			
			of preceding month		of corresponding month last year	
			total number of unemployed	number of officially registered unemployed persons	total number of unemployed	number of officially registered unemployed persons
December 1994	5478	1637	133	106	132	196
1995:						
January	5516	1711	100.7	105	126	191
December	6040	2327	102	104	110	142
January 1996	6143	2418	102	104	111	141

In January of 1996, 6,114 **industrial enterprises stopped production** or operated in the regimen of a reduced work day (in December of 1995 this figure was 6,202). As compared with the preceding month, there was a significant increase (by 18 percent) in losses of work time, which comprised 23.6 million man-days (18.5 percent of the scheduled fund of work time, versus 15.6 percent in December of last year).

In the past month, 797 enterprises (13 percent of the total number of enterprises having work stoppages) totally stopped their production for more than one shift (these were primarily enterprises in the light and food industry, machine building and the building materials industry).

The prolonged stoppages of enterprises and productions in industry are characterized by the following data:

	Number of enterprises having idle times longer than one shift, units	Including those which totally stopped production	Losses of work time	
			million man-days	in % of scheduled fund
December 1994	5177	353	18.6	14
1995:				
January	5835	752	19.0	16
February	5798	598	18.4	15
March	6117	605	20.8	15
April	5793	575	18.8	15
May	5954	759	21.0	17
June	5762	599	18.4	14
July	5302	600	17.0	14
August	5271	542	17.5	13
September	5439	540	17.9	14
October	5492	506	17.7	13
November	5927	589	19.0	14
December	6202	634	19.9	16
January 1996	6114	797	23.6	19

The main reasons for the forced stoppages remain lack of provision with material resources due to shortages of enterprise working capital for their acquisition, and difficulties with the sale of products in connection with the insolvency of consumers (44 percent each). Over 6 percent of all the losses were associated with conversion of industrial production.

Losses of work time necessitated by the main reasons for stoppages by sectors of industry in January of 1996 are characterized by the following data:

	Number of enterprises having idle times, units	Losses of work time, thousand man-days	Of total amount of losses—losses due to, in %	
			difficulties with sale of products	shortage of working capital
Industry	6114	23569	44	44
Including:				
Fuel industry	34	170	23	16
Ferrous metallurgy	92	660	66	33
Non-ferrous metallurgy	55	380	71	26
Chemical and petrochemical industry	302	1662	58	32
Machine building	2055	13546	43	41
Timber, wood processing and cellulose-paper industry	597	862	40	55
Building materials production	563	1030	71	24
Glass and porcelain-china	49	153	51	36
Light industry	1049	4024	32	66
Food industry	943	812	38	57
Microbiological industry	13	35	72	28
Flour-milling and mixed feed industry	108	76	48	48
Printing industry	69	29	67	27

UNEMPLOYMENT. By the end of January 1996, the agencies of the state employment service had registered 2.7 million **unemployed able-bodied citizens** who were seeking work. Of these, 2.4 million persons were officially classified as being unemployed.

Since the beginning of the year, 394,000 unemployed citizens of working age had saught assistance in finding employment from the agencies of the **state employment service.** This was 67,000 more persons (21 percent) than in January of 1995. Moreover, another 30,000 persons were those who could not be granted official unemployed status, including students who wanted to work during free time from their studies, pensioners, and employed citizens wishing to change jobs. Table below presents unemployment figures for the end of each month:

	Number of unemployed citizens registered with the employment services, thousand persons	Of those, persons having unemployed status		
		thousand persons	in % of	
			preceding month	corresponding month of preceding year
December 1994	1879	1637	106	196
1995:				
January	1963	1710	104	191
December	2549	2327	105	143
January 1996	2702	2418	104	141

In January of 1996, 85,000 unemployed persons found work with the aid of the employment services. This was 20,000 persons (31 percent) more than the job placement figures for January of 1995.

Since the beginning of the year, the disparity between the supply and demand of manpower in the employment services has continued to grow. By the end of January of this year, the number of unemployed persons registered with the agencies of the employment service per announced vacancy comprised 9.2 persons, and increased by 12 percent as compared with December of 1994. Table below gives figures for the end of each month.

	Need of enterprises for workers, announced to the employment services, thousand persons	Number of unemployed persons per one announced vacancy		
		persons	in % of	
			preceding month	corresponding month of preceding year
December 1994	327	5.8	114	187
1995:				
January	311	6.3	109	154
December	309	8.2	115	141
January 1996	294	9.2	112	146

Of the total number of requests from enterprises, half were from the state sector.

STRIKES. In January of this year, **strikes** were held at 2,108 enterprises, institutions and organizations, including at 2,077 educational institutions in 41 regions of Russia. The greatest losses of work time were experienced by schools in Chelyabinsk (15,200 man-days), Tomsk (5,600), and Saratov (5,200) Oblasts, in the Republic of Buryatiya (13,800) and in North Osetia-Alaniya (10,700 man-days).

	Number of enterprises, institutions and organizations at which strikes were held	Number of participants, thousand persons	Losses of work time, thousand man-days
1995:			
January	96	4.7	12.7
December	2740	104	223
January 1996	2108	52.8	172

The breakdown of strikes by sectors of the economy in January of 1996 is presented below:

	Number of enterprises, institutions and organizations at which strikes were held	Number of participants, thousand persons	Losses of work time, thousand man-days
Education	2077	44.4	91.7
Public health	22	3.3	32.9
Industry	6	4.5	45.1
Including the fuel industry	3	0.7	3.8
Construction	2	0.7	2.2

The main reasons for the strikes are still the untimely payment of labor wages, their low level, and the insufficient financing of educational institutions.

*Russia: Report on Socioeconomic Situation as of 11 March

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[Statistical survey prepared on the basis of data of Goskomstat of Russia: "Economic Situation on 11 March"]

[FBIS Translated Text] **PRICES ON CONSUMER GOODS AND SERVICES.**

We are presenting data on the change in consumer prices for the **period from 5 through 11 March:**

—for the period from 5 through 11 March, the consumer price index comprised 100.4 percent, including on food products—100.4 percent, on nonfood items—100.3 percent, and on paid consumer services—100.6 percent;

—for the period since the beginning of March, the consumer price index comprised 100.9 percent, including on food products—100.6 percent, on nonfood items—100.5 percent, and on paid consumer services—102.8 percent;

—for the period since the start of the year, the consumer price index comprised 108.0 percent, including on food products—107.1 percent, on nonfood items—105.5 percent, and on paid consumer services—117.4 percent;

—the average cost of an assortment of 19 basic food products, computed per month, comprised 249,500 rubles (R), which was 0.3 percent more than the previous week;

—with retention of the existing rates of growth of prices, we may expect that the overall growth in consumer prices for March will comprise 2.2 - 2.6 percent (in February of this year it was 2.8 percent).

The greatest increase in prices on consumer goods and services for the period from 5 through 11 March was recorded in the Volga-Vyatka and East Siberian regions (by 0.6 percent). Consumer prices remained practically unchanged in the Central Chernozem region.

With an insignificant change in prices on food products **for the period from 5 through 11 March,** the most notable increases, as in the preceding week, were seen on prices for vegetables (by 1.6 percent), including on fresh cabbage—by 2.4 percent. Prices on dairy products, especially cottage cheese, increased more notably than in the two preceding weeks (by 1.1 - 1.3 percent). Bread made from high-grade wheat flour and oat grain increased by 0.7 percent for the week. Prices on butter, eggs, flour, potatoes, beef, canned meats and herring remained practically unchanged.

The tendency toward decline of average prices on sugar and vegetable oil throughout Russia is retained.

The differences in rates of growth of prices on foodstuffs in various economic regions were insignificant last week. While in the Volga-Vyatka and Urals regions food products increased in price by 0.5 percent as a whole, in the West Siberian region they increased by 0.2 percent.

For the period since the beginning of the month, despite an overall increase in price of food products by 0.6 percent, prices on vegetables increased by 3.2 percent, on sour milk products and cottage cheese—by 1.3 and 1.9 percent, and on vodka and canned fruit for baby food—by 1.1 - 1.2 percent.

For the period from 5 through 11 March, prices on most non-food commodity items increased insignificantly. At the same time, prices on woolen fabrics, various types of clothing, furniture, glass dishware, and medicines increased by 0.9 - 1.5 percent. Prices on fur goods, shoes, detergents, domestic-made cigarettes, jewelry goods and passenger automobiles remained practically unchanged.

The greatest change in prices on non-food commodity items was recorded in the Far Eastern region (by 0.6 percent), and the least—in the Central and Central-Chernozem regions (by 0.2 percent).

In the period since the start of the month, despite an overall increase in prices on non-food commodity items by 0.5 percent, fuel for the population, glass dishware, gasoline, certain types of clothing, furniture and medicinal preparations increased in price by 1.1 - 2.5 percent.

PAID CONSUMER SERVICES. The dynamics of rates on basic groups of paid consumer services are presented below (in percent):

	Compared to previous date on which prices were recorded			For period since start of year
	26 Feb	4 Mar	11 Mar	
Paid consumer services	100.4	102.4	100.6	117.4
Including:				
consumer services	101.2	100.8	100.8	110.3
Passenger transport	100.3	105.0	100.5	122.8
Including:				
city bus	100.1	104.5	100.4	127.1
streetcar	100.0	103.1	100.4	127.5
trolley	100.0	103.0	100.2	120.9
metro	100.0	100.0	100.0	109.7
commuter train	100.0	101.5	101.5	148.9
Communications	100.0	102.2	100.7	117.0
including citywide telephone communications	100.0	102.6	100.8	120.1
Housing-municipal services	100.2	101.5	100.6	117.7
Including payment for:				
rent for apartment in buildings of municipal housing fund	100.1	100.9	100.3	123.8
electricity	100.1	102.0	101.3	109.3
heating	100.2	100.8	100.0	119.3
hot water supply	100.1	101.1	100.4	118.7
piped gas supply	100.0	104.7	105.4	116.5
Children's pre-school institutions	100.4	101.7	100.4	117.7
Public health	100.5	100.9	100.9	111.9

The leading growth of rates on paid consumer services **in the past week** continued to be influenced significantly by the increase in payments for certain types of housing-municipal services. The most significant increases for the week were seen for pipeline-supplied gas—by 5.4 percent and rarified gas (per person)—by 2.6 percent. In Orenburg the payment for pipeline-supplied gas increased by 2.6 times (from R500 to R1280), and in Stavropol—by 2 times (from R320 to R640).

Of the public health services, the payment for undergoing physical therapy treatments increased by 3.1 percent, and of the consumer services—payment for services of beauty shops (by 2.2 - 2.4 percent). The cost of passage on a suburban commuter train increased by 1.5 percent. The rates for passage on city transport, postal and telegraph communications services, as well as rent for apartments in buildings of the municipal housing fund remained practically unchanged.

Among the economic regions, the maximal increases in rates on paid consumer services in the beginning of March were noted in Eastern Siberia (by 1.7 percent), while in the Central Chernozem region they remained practically unchanged.

For the period since the start of the month, the greatest increases were registered on transit of baggage and passengers on railroad transport—by 20 and 18 percent, and on pipeline-supplied and rarified gas—by 10 and 6 percent, respectively.

INDUSTRY. In January-February 1996, industry produced products (work, services) in the sum of R200 trillion in effective prices, which comprises 95 percent of the corresponding period last year.

In February, **the volume of industrial production** comprised 100.1 percent of the level for January of 1996, and 96 percent of the level for February of 1995.

The dynamics of industrial production for industry as a whole and by sectors are presented below:

	January-February 1996 in % of January-February 1995	February 1996 in % of:		Reference:		
		January 1996	February 1995	January-February 1995 in % of January-February 1994	February 1995 in % of:	
					January 1995	February 1994
Industry	95	100.1	96	97	99.5	96
Including:						
means of production	82	122	87	102	113	105
semi-finished goods	98	93	97	99	94	99
consumer goods	95	117	95	91	115	82

At large and medium-sized enterprises, the volume of industrial production by sectors was characterized by the following data:

		February 1996 in % of:		**Reference:**		
	January-February 1996 in % of January-February 1995	**January 1996**	**February 1995**	**January-February 1995 in % of January-February 1994**	**February 1995 in % of:**	
					January 1995	**February 1994**
Large and medium-sized enterprises	93	100.1	93	97	99.5	95
Including:						
mining	97	97	98	98	96	101
processing	92	100.7	92	95	100.5	93
Of overall total, by sectors:						
electrical power generation	105	91	109	93	86	87
fuel industry	98	95	99.9	97	92	100.4
ferrous metallurgy	98	93	96	107	96	111
non-ferrous metallurgy	93	98	95	99.3	99.7	100.8
chemical and petrochemical industry	87	98	88	108	98	108
machine building	81	126	88	104	112	97
timber, wood processing and cellulose-paper industry	83	109	84	88	105	90
building materials production	76	114	77	89	111	92
light industry	67	114	70	63	108	63
food industry	110.9	114	104	85	112	86

The fuel-energy sectors. The dynamics of industrial production in the sectors of the fuel-energy complex and basic types of power resources are characterized by the following data:

	January-February 1996*	In % of January-February 1995	February 1996 in % of:		Reference:		
			January 1996	February 1995	January-February 1995 in % of January-February 1994	February 1995 in % of:	
						January 1995	February 1994
Electrical power generation		105	91	109	93	85	87
electrical power, billion kW/hr	176	104	93	107	95	88	91
thermal energy (released), million Gcal	384	107	88	113	88	81	80
Oil drilling industry		98	93	99	96	92	102
oil, million tonnes	47.5	98	93	99	96	92	102
oil gas, billion cu. m.	4.1	97	94	96	93	95	100.1
Petroleum processing industry		97	98	100.5	96	90	99.6
primary processing of oil, million tonnes	29.4	96	98	102	93	85	94
automotive gasoline, million tonnes	4.3	97	98	100.9	99	91	105
diesel fuel, million tonnes	7.5	100	99.7	103	97	97	105
fuel oil, million tonnes	11.2	94	97	99.9	87	82	83
lubricant grease, million tonnes	0.4	104	108	108	134	96	145
Gas industry		102	94	104	99.5	90	99
natural gas, billion cu. m.	106	102	94	104	99.6	90	99
Coal industry		97	103	99	98	98	98
coal, million tonnes	47.1	100.3	101	102	93	98	93
including for coking	9.5	95	109	99.6	107	98	109
coal concentrate, million tonnes	8.8	91	103	93	99.7	98	102

* *Data are presented with consideration for estimated volumes of production (mining) of combined and small enterprises, industrial enterprises at non-industrial organizations, and likewise geological-survey enterprises performing oil drilling.*

The average daily production of primary energy resources (extraction of natural fuel, generation of electrical power at steam- and nuclear power plants) recomputed to the standard equivalent in February of this year exceeded the level by 1 percent.

In electrical power generation in February of this year, the average daily generation of electrical power at nuclear power plants increased by 6 percent as compared with January, while at thermal power plants it declined by 1 percent and at hydroelectrical power plants—by 4 percent.

In the oil drilling industry in February of this year as compared with January, the average daily level of oil drilling in the Republic of Komi increased by 3 percent and in Orenburg Oblast—by 1 percent. In Tyumen Oblast, which accounts for 65 percent of Russia's entire volume of oil drilling, it declined by 1 percent.

In the petroleum processing industry as compared with January of this year, the average daily output of high-octane gasoline increased by 18 percent, of winter diesel fuel—by 15 percent, and of marine fuel oil—by 1 percent. At the same time, the output of household furnace fuel declined by 9 percent.

In the gas industry, the average daily output of natural gas on the whole throughout Russia, and also in Tyumen Oblast, which accounts for 92 percent of Russia's entire volume of gas extraction, in February of this remained at the same level as it was in January.

In the coal industry, the growth of the average daily output of coal in February of this year as compared with January was observed at mines and open pits of the Pechora (by 10 percent), Donets (by 8 percent), Kupetsk (by 6 percent), and Kansko-Achinsk (by 5 percent) coal basins. At the same time, coal mining in the Far Eastern region declined by 5 percent, including in Amur Oblast—by 40 percent.

The dynamics of production in the subsectors of **ferrous metallurgy** and the output (mining) of basic types of products are presented below:

			February 1996 in % of:		Reference:		
	January-February 1996, million tonnes	In % of January-February 1995	January 1996	February 1995	January-February 1995 in % of January-February 1994	February 1995 in % of:	
						January 1995	February 1994
Mining and enrichment or ore raw materials for ferrous metallurgy		91	87	87	108	98	111
iron ore	11.9	93	90	89	112	97	114
Production of ferrous metals		99.2	93	99	109	94	114
cast iron	5.6	94	92	95	113	91	115
steel	7.6	94	97	96	109	92	111
finished ferrous metal rolled stock	6.1	99.4	93	99.2	110	94	115
Pipe production		100.2	89	95	91	99.7	97
steel pipes	0.6	103	88	96	91	100.2	97
Including:							
seamless	0.3	90	95	90	94	96	96
arc welded	0.3	107	80	92	101	107	110
Coke-chemical industry		97	91	97	106	91	106
coke	4.2	97	91	97	106	91	106

In steel smelting production in February of this year, the average daily output of oxygen converted steel as compared with the level for January comprised 97 percent, of cast billets obtained from continuous casting machines—93 percent, and of electric steel—104 percent.

In rolled stock production, the average daily output of high-grade rolled stock increased by 1 percent as compared with January of this year, while the average daily production of progressive types of sheet-rolled metal products declined by 4 percent, including cold-rolled sheet stock—by 3 percent, stainless steel rolled stock—by 3 percent, thermal hardened sheet stock—by 4 percent, stock made of low-alloy steel—by 14 percent, sheet and tin-plated stock with coatings—by 10 percent, bent steel profiles—by 20 percent.

As compared with January of this year, the average daily production of various cast hardware increased as follows: Welded electrodes (by 9 percent), steel wire made of carbon and alloyed grades of steel (by 14 percent), and cold-rolled strip stock (by 19 percent).

In pipe-rolling production in February of this year as compared with the level for January, the average daily output of high-strength steel pipes for the petroleum assortment increased by 3.4 times.

The dynamics of the overall volume of production in the subsectors of **non-ferrous metallurgy** and the output of vital types of products are characterized by the following data:

	January-February 1996 in % of January-February 1995	February 1996 in % of:		Reference:		
		January 1996	February 1995	January-February 1995 in % of January-February 1994	February 1995 in % of:	
					January 1995	February 1994
Aluminum	110	95	110	98	100.2	102
bauxites	126	98	119	98	111	99.7
primary aluminum, including silumin	109	96	110	97	94	102
Copper	108	103	106	104	107	102
copper concentrate	105	99.7	109	92	95	85
refined copper	110	103	105	109	109	109
Nickel-cobalt	95	89	98	104	97	106
nickel	99	88	101	103	97	105
cobalt	77	98	81	123	95	127
Lead-zinc	118	87	111	107	104	123
lead, including secondary	60	88	66	56	92	50
zinc	134	85	125	117	103	146
Other sectors	79	106	81	94	99.9	93
gold (mining)	96	98	98	82	92	86
magnesium and magnesium alloys	111	96	113	115	93	116
aluminum rolled stock	56	111	60	131	95	122

In the raw material sectors in February of this year as compared with January, the average daily production of copper in concentrate increased by 6 percent, of lead—by 10 percent, of tin and molybdenum in concentrate—by 23-24 percent, while the production of zinc in concentrate declined by 3 percent.

In sheet metal production, the average daily output of titanium rolled stck increased by 5 percent as compared with January, of platinum—by 18 percent, and of copper—by 30 percent, while the production of bronze rolled stock declined by 24 percent.

The dynamics of industrial production in the subsectors of **machine building** and the output of various types of products are presented below:

	January-February 1996	In % of January-February 1995	February 1996 in % of:		Reference:		
			January 1996	February 1995	January-February 1995 in % of January-February 1994	February 1995 in % of:	
						January 1995	February 1994
Diesel building		90	99.7	75	120	128	126
diesels and diesel generators, units	624	90	99.7	75	120	128	126
Metalllurgical machine building		86	134	84	90	155	110
rolling equipment, tonnes	1581	72	109	67	107	112	130
agglomeration equipment, tonnes	767	53	295	69	288	135	361
machines and equipment for continuous casting of billets, tonnes	922	191	133	252	98	76	162
Lifting-transport machine building		64	120	70	65	97	73
electric gantry cranes (including special), units	45	98	105	85	67	142	93
automotive-driven cranes, units	469	55	113	59	71	99	82
loaders, units	144	50	153	56	35	117	44
Electrotechnical industry		84	116	82	77	119	85
alternating current electric motors with rotation axis height of 63-355 mm, thousand units	52.2	82	202	105	83	111	118
low voltage electric motors, thousand units	298	53	134	59	60	107	62
electric illumination lamps, million units	112	106	102	92	91	130	96
Machine tool building and instrument making industry		68	126	70	81	114	89

	January-February 1996	In % of January-February 1995	February 1996 in % of:		Reference:		
			January 1996	February 1995	January-February 1995 in % of January-February 1994	February 1995 in % of:	
						January 1995	February 1994
metal cutting machine tools, units	2106	71	111	70	79	118	86
wood processing machine tools, units	1122	54	193	65	93	95	89
forge-press machines, units	237	61	167	71	69	117	87
Instrument making		73	87	72	124	130	136
control-cash register apparatus, thousand units	56.9	88	102	82	278	145	346
electric meters, three-phase, thousand units	7.3	28	94	31	44	67	31
microprocessor regulators, units	32	86	433	104	247	208	31.3
clocks, million units	1.7	56	63	62	57	112	54
photo cameras, thousand units	39.5	57	100.6	55	90	106	94
Automotive industry		92	125	97	127	113	102
trucks, thousand units	23.1	75	110	74	103	114	122
passenger automobiles, thousand units	126	100.1	133	107	141	114	99
buses, thousand units	5.8	73	104	72	107	116	125
motorcycles, thousand units	2.7	26	92	57	35	35	18
bicycles (not counting children's), thousand units	36.3	44	93	43	49	96	45
Ball bearing industry		93	146	113	102	96	92
roller bearings, million units	43.7	93	146	113	102	96	92
Tractor and farm machinery building		67	202	87	104	107	107
tractors, units	2304	51	185	67	112	94	111
tractor-driven plows, units	110	21	279	29	29	111	20
tractor mowers, units	616	97	99	84	65	136	74
Construction-road building and municipal machine building		73	170	94	90	97	98
excavators, units	516	44	125	53	99	84	107
bulldozers, units	500	113	250	164	89	117	106

	January-February 1996	In % of January-February 1995	February 1996 in % of:		Reference:		
			January 1996	February 1995	January-February 1995 in % of January-February 1994	February 1995 in % of:	
						January 1995	February 1994
machines for city and municipal management, units	606	54	124	62	92	94	92
Machine building for light and food industry and household appliances		53	126	52	64	117	66
textile machine tools, units	169	53	69	39	114	130	110
assemblies and machines for preparing dough, units	141	40	93	30	50	319	40
refrigerators and freezers, thousand units	165	50	117	49	64	124	69
washing machines, thousand units	166	57	92	50	68	120	66
household sewing machines, thousand units	2.9	32	146	34	25	88	22
Communications industry		35	104	36	41	96	39
tape recorders, thousand units	30.7	37	149	43	43	104	46
video recorders, thousand units	2.9	58	98	48	18	147	25
radio receiver devices, thousand units	81.8	43	138	48	75	105	66
televisions, thousand units	86.7	34	97	34	46	96	43
including color televisions	29.0	29	82	28	34	87	30

In the chemical and petrochemical industry, the dynamics of production in various subsectors and the output of basic types of products are characterized by the following data:

	January-February 1996	In % of January-February 1995	February 1996 in % of:		Reference:		
			January 1996	February 1995	January-February 1995 in % of January-February 1994	February 1995 in % of:	
						January 1995	February 1994
Basic chemicals		93	94	93	120	92	119
sulfuric acid, thousand tonnes	978	84	95	83	115	94	112
soda ash, thousand tonnes	236	80	74	69	128	96	152
caustic soda, thousand tonnes	151	77	99.2	82	99.7	87	100.3
mineral fertilizers, thousand tonnes	1421	100.6	93	97	127	100.4	125
Chemical fibers and filaments industry		72	91	67	99.9	104	106
chemical fibers and filaments, thousand tonnes	25.3	72	91	67	99.9	104	105
Synthetic resins and plastics industry		67	107	70	101	91	105
synthetic resins and plastics, thousand tonnes	216	67	107	70	101	91	105
including polyethylene	75.5	63	91	64	128	88	140
Synthetic rubber production		113	90	109	92	96	95
synthetic rubbers, thousand tonnes	145	113	90	109	92	96	95
Tire industry		112	114	124	83	94	74
tires for trucks, thousand units	1302	121	113	137	85	89	72
tires for passenger automobiles, thousand units	1573	88	100.8	88	85	107	90
tires for farm machinery, thousand units	86.4	128	156	165	55	81	39

In the basic chemical industry, the average daily production of chemical means of plant protection in February of this year comprised 243 percent of the level for January. Th output of synthetic ammonia used in production of mineral fertilizers remained at practically the same level as it was in January.

The continued demand for mineral fertilizers on the foreign market stimulates the growth of their production. In February as compared with January, the average daily output of nitrogen and phosphate fertilizers increased by 1 percent and 6 percent, respectively. At the same time, the output of potassium fertilizers declined by 9 percent.

In the synthetic resins and plastics industry in February as compared with January of this year, of the progressive types of polymer materials the average daily production of polyvinylchloride resin increased by 47 percent, while that of polyethylene declined by 3 percent, of polypropylene—by 13 percent, and of polystyrene—by 21 percent.

In the plastic goods industry as compared with January of 1996, the average daily production of thermal plastic sheeting increased by 19 percent, of polyvinylchloride plastics—by 25 percent, of pipes and pipe fittings made of thermal plastics—by 27 percent.

In the lacquer-paint industry, the average daily output of paint and lacquer materials as compared wih January increased by 23 percent.

In the synthetic dyes industry in February as compared with January, the average daily production of products of the same name increased by 120 percent.

In the rubber-asbestos industry, the increase in output of basic types of products as compared with January of this year comprised 14 percent, including sleeves and V-belts—19 percent and 23 percent, and rubberized-fabric and rubber-cable strips—41 percent and 100 percent.

In the chemical-pharmaceutical industry, the production of medicinal substances in Febrauary as compared with January of this year increased by 28 percent, including for preparations related to the vitally necessary group in accordance with the Russian Federation Government decree of 26 December 1991, No 68: Clopheline—by 21 percent, analgine in tablet form—by 31 percent, and vitamins—by 193 percent. At the same time, the production of euphillin declined by 6 percent, of nitroglycerine—by 4 percent, and of vayandol—by 2 percent.

In the timber, wood processing and cellulose-paper industry, the dynamics of production in the subsectors and the output of vital types of products are characterized by the following data:

	January-February 1996	In % of January-February 1995	February 1996 in % of:		Reference:		
			January 1996	February 1995	January-February 1995 in % of January-February 1994	February 1995 in % of:	
						January 1995	February 1994
Timber industry		92	118	95	88	108	90
export of timber, million dense cu. m.*	30.2	92	118	95	88	108	90
Wood processing industry		72	111	73	77	103	77
lumber materials, million cu. m.*	3.8	84	116	85	84	109	91
plywood laminate, thousand cu. m.	149	103	110	105	105	107	106
wood fiberboard, thousand standard cu. m.	267	60	108	63	86	94	80
wood beams for railroad sleeper ties, thousand sets	1.1	92	125	86	147	142	164
Cellulose-paper industry		91	99.3	89	111	104	120
commercial cellulose, thousand tonnes	242	93	99.5	89	132	110	143
paper, thousand tonnes	407	102	91	97	101	100.5	111
cardboard, thousand tonnes	131	61	108	62	119	106	120

** Data on production of the above-listed types of products are presented with consideration for estimated volumes of production of small and combined enterprises, as well as industrial subdivisions of non-industrial organizations.*

In the timber industry, the volume of production of commercial timber in February of this year was higher than that of January by 12 percent.

In the wood processing industry, as compared with January of this year the increase in production of sets of wooden parts for houses with walls made of local materials comprised 10 times; of bridge beams—3 times, of mine bracings—38 percent, of hardwood fiberboard—by 27 percent, of cement-sawdust slabs—by 25 percent, of wood railroad sleeper ties and door framing blocks—by 22 percent, of window framing blocks—by 19 percent, and of wooden packaging—by 8 percent.

In the furniture industry, in February of this year the volume of production was higher than January's level by 8 percent, including for household furniture: Wooden beds—by 37 percent; tables, chairs, dressers, and sofas—by 7-13 percent. There were 5 percent less sofa-beds and 3 percent less armchairs produced in February than in January of this year.

In the cellulose-paper industry, as compared with January of this year there was in increase in the production of printing paper by 69 percent, and of packaging cardboard—by 1 percent. At the same time the output of newsprint declined by 19 percent, and of writing and notebook paper—by 14 percent.

The dynamics of production in the various subsectors of the building materials industry and the output of basic types of building materials are presented below:

	January-February 1996	In % of January-Febraury 1995	February 1996 in % of:		Reference:		
			January 1996	February 1995	January-Febraury 1995 in % of January-February 1994	February 1995 in % of:	
						January 1995	February 1994
Cement industry		73	106	74	93	98	93
cement, thousand tonnes	3182	73	105	74	93	101	93
including cement obtained by the "dry" method	390	79	104	79	77	94	83
Prefabricated reinforced concrete structures and parts industry		78	111	78	86	108	89
prefabricated reinforced concrete structures and parts, thousand cu. m.*	3605	78	111	78	86	108	89
Masonry materials industry		73	121	76	87	114	93
building brick, million standard pieces of brick*	1540	74	121	78	89	106	95
Building ceramics industry		78	94	78	85	112	90
ceramic facing slabs, thousand sq. m.	2345	75	86	71	82	111	85
ceramic flooring slabs, thousand sq. m.	775	84	89	77	91	117	95
ceramic facade slabs, various colors, thousand sq. m.	586	78	114	84	85	104	82
Building materials and products of polymer raw materials industry		70	114	71	77	113	80
linoleum, thousand sq. m.*	6809	70	114	71	76	115	80
Non-metalliferous building materials industry		84	112	85	87	112	90
non-metalliferous building materials, million cu. m.*	29.7	84	112	85	87	116	91

**Data on production of the above-listed types of products are presented with consideration for estimated volumes of production of small and combined enterprises, and also industrial subdivisions of non-industrial organizations.*

Of the building products used primarily in housing construction, the production of sanitary-ceramic products in February of this year as compared with January increased by 7 percent: Of washbasins and sinks—by 16 percent; of bathtubs—by 20 percent; of roofing slate—by 57 percent, and of household gas stoves—by 2.1 times.

The output of building materials for construction of facilities of production-technical application in February of this year exceeded the level of January. Specifically, the output of structures made of aluminum alloys and prefabricated reinforced concrete structures increased by 5-6 percent, and of lightweight metallic structures—by 2.5 times.

The dynamics of production in the subsectors of **light industry** and the output of basic products are characterized by the following data:

	January-February 1996	In % of January-February 1995	February 1996 in % of:		Reference:		
			January 1996	February 1995	January-February 1995 in % of January-February 1994	February 1995 in % of:	
						January 1995	February 1994
Textile industry		68	116	72	66	106	68
fabrics of all types, million sq. m.	242	71	119	72	71	114	72
Including:							
cotton fabrics	168	70	125	73	67	114	66
linen and hemp-jute fabrics	21.5	89	113	89	78	120	80
wool	10.1	70	93	62	73	106	75
silk	22.3	58	123	59	86	118	105
stocking-hosiery goods, million pairs*	38.3	79	117	79	69	120	71
tricot goods, million pieces*	11.6	51	134	55	54	109	53
rugs and carpeting materials, thousand sq. m.	1049	44	93	46	46	84	41
Sewing industry		71	103	70	50	111	49
coats and half-coats, thousand pieces*	217	41	65	37	52	90	48
suits, thousand pieces*	783	106	127	111	62	115	58
dresses, thousand pieces*	1150	60	127	58	47	149	68
jackets, thousand pieces*	946	85	71	72	51	89	45
Leather, fur and footwear industry		59	127	64	71	117	69
chromium-tanned leather goods, million sq. in.*	83.1	50	118	56	61	106	65
women's coats and half-coats made of natural fur, thousand pieces*	8.1	60	93	55	69	114	74
shoes, million pairs*	5.1	57	164	64	74	124	72

**Data on production of the above-listed types of products are presented with consideration for estimated volumes of production of small and combined enterprises, and also industrial subdivisions of non-industrial organizations.*

In the **textile industry** in February of this year as compared with January, the output of tulle-drapery goods, tricot for linens and outerwear increased by 19-67 percent.

In the sewing industry in February of this year as compared with the preceding month, the production of bed linens, trousers, and skirts increased by 17-52 percent. The output of raincoats in the past month as compared with January declined by 16 percent.

In the leather, fur and footwear industry in February of this year the production of "juft" [Russia leather] goods as compared with January increased by 6 and 41 percent respectively, and of man-made soft leathers and film materials—by 16-18 percent.

*Russia: 1995 Balance of Payments Figures

964E0799A Moscow EKONOMIKA I ZHIZN in Russian Mar 96 No 10, pp 4-7

[Article by S.G. Sherbakov, deputy director of the Department of Foreign Operations of the Bank of Russia: "Russia's Balance of Payments for January-September 1995"; appendices to article]

[FBIS Translated Text] The development of the foreign sector of the economy was dynamic in nature and distinguished by its active purposefulness. The increase in foreign trade turnover that occurred was the largest in the last few years, as was the substantial net growth in the volume of the financial demands of residents on the rest of the world.

Net foreign financial assets increased by $4.6 billion in the state sector. Their accumulation by the Ministry of Finance and the Bank of Russia occurred at the end of the first quarter and in the second one; in July-September they decreased by $1.3 billion. As for the non-state structures, primarily commercial banks, they showed a consistent decrease in their inclination to accumulate foreign assets. For example, the amount of the net demands of the authorized banks on non-residents decreased by $3.7 billion.

The banks' behavior on the whole reflected the growing distrust of residents toward the national monetary unit. The determining factor in forming the above-noted moods was the second quarter, in the course of which the exchange rate of the dollar, in real terms, fell by almost one-fourth (on the whole for the 9 months — by more than 40 percent). This circumstance not only stimulated the economic components to abandon the dollar and invest in non-cash ruble instruments, but also prompted them to divest themselves of part of their cash accumulations in April-June.

It should be noted, however, that the events of the end of August and the beginning of September on the interbank credit resources market, which intensified the problem of mutual nonpayments, had an adverse effect on the process of de-dollarizing the economy, namely, it contributed to a renewed increase in the demand of managerial components for the cash dollar as an alternative liquid circulation medium. As a result, the sum of the available SKV [convertible currency] in the non-banking sector increased by roughly $1 billion in the third quarter.

The total volume of foreign financing of the state sector was at the $14 billion level. This included: utilizing new loans totaling $5 billion; receiving the consent of foreign creditors to carry over the payment periods for $6.5 billion; overdue payments on foreign debt amounting to $2.5 billion.

The amount of the payments on the official foreign debt that formed put great pressure on the country's budget, in comparison to the analogous period of the preceding year. While in the nine months of 1994, the actual payments toward paying off official foreign indebtedness were more than 96 percent financed from foreign sources, and $134 million were mobilized from internal sources, in the period under review these indicators constituted 89.5 percent and $590 million, respectively.

The large amount of "net errors and omissions" that formed attracts attention. An example of them — the $6 billion that piled up during the 9 months cannot be explained merely as traditional, routine problems (for example, a lack of complete information on the operations of the sector of non-financed enterprises). In the course of the period under review, additional factors obviously also took shape which introduced distortions into the statistics of the balance of payments. For example, it is quite likely that there was a short-counting of the import from the CIS countries because the customs boundaries with Belarus had been abolished.

Statement of Current Operations

According to this statement, the positive balance of $10 billion exceeds the analogous indicator of the preceding year by 20.7 percent. In this case, the entire amount of it was formed in the sphere of interrelations with the residents of the far abroad (there was a negligible deficit of $69 million with respect to current operations with the CIS countries).

Trade balance. As was noted above, foreign trade turnover increased intensively (119.1 percent as compared with the level of the nine months of 1994), with an outstripping increase in export supplies. The residual of the foreign trade balance therefore increased to U.S.$17.7 billion, which exceeds the level of the analogous period of the preceding year by more than one-fourth.

Russian Foreign Trade, bln U.S. dollars

	Turnover	Export	Import	Residual
1994	114.8	66.8	48.0	18.8
1st Quarter	24.0	13.1	10.9	2.3
2d Quarter	28.2	16.8	11.4	5.4
3d Quarter	30.0	18.1	11.9	6.1
9 months	82.2	48.0	34.2	13.8
4th Quarter	32.6	18.8	13.8	5.0
1995				
1st Quarter	30.7	18.4	12.3	6.1
2d Quarter	33.4	20.0	13.4	6.6
3d Quarter	33.8	19.4	14.4	5.0
9 months	97.9	57.8	40.1	17.7

Export. The export growth rate was 120.4 percent, as compared with the corresponding period of 1994. At the beginning of the year it was stimulated by the rescinding of the quantitative restrictions (quotas), the abolishing of the institution of special exporters, the cut in the list of commodities licensed for export, the lowering and even complete abolishing of certain export duties and the favorable situation on the world markets. All this led to its unprecedented increase in the 1st quarter: by 40 percent as compared with the January-March level of the preceding year.

An increase in the export supplies also occurred in the next quarter of the period under review, in spite of the process of real strengthening of the ruble on the domestic market which had developed quite dynamically. The inelasticity of export to the currency exchange-rate dynamics reflects the fact that the foreign prices for the basic Russian export commodities, which had formed at the initial stage of liberalization of foreign economic activity and have been preserved to this day, exceeded the domestic prices. According to conditions at the end of September, this amount of excess was a factor of 3.3 for natural gas, 25 percent for crude oil and 70 percent for unprocessed timber. As for the instance of domestic prices exceeding foreign prices, which occurred for a number of exported goods, this circumstance attested, not to the unprofitability of their export, but rather to the existing "safety margin," realized in excessive profitability, incorporated by the producers into the wholesale factory prices for these commodities.

The commodity products list and the composition of exports underwent hardly any changes. As before, raw material commodities, primarily the commodities of the fuel-energy complex, occupied the leading positions.

The geography of the export supplies took shape in the traditional fashion. Among the main partners, Ukraine accounted for 8.7 percent of Russian export, Germany — 7.2, the United States — 5.4, Switzerland —4.6, Italy — 4.4, Japan — 4.3, China — 3.8, the Netherlands — 3.9, Belarus — 3.6 and Ireland — 3.4 percent.

Import. The increase in the supplies for import (by 17.2 percent of the level of the nine months of 1994) was determined by the above-noted real strengthening of the ruble, favorable for importers, and the insufficient competitiveness of domestic products on the domestic market. The introduction of new customs duties for food products, from 1 July 1995, had almost no "destimulating" effect on the dynamics of their import. The domestic market was actively filled with imported goods, and their proportion, on the consumer market for example, was over half. The narrowing of the domestic demand on the consumer and investment commodities market, however, was a substantial factor in holding back import. There was a 12-percent decrease in the real disposable monetary incomes of the Russians in January-September, and investments in fixed capital did not exceed 85 percent of the level of the nine months of the previous year.

The commodity composition of imports on the whole remained unchanged. As before, a considerable part of it (approximately 20 percent), primarily represented by consumer items, was imported into the country by the so-called "shuttle" merchants.

The major suppliers of goods to our country in the period under consideration were Germany — 12.2 percent, Ukraine — 10.8, the United States — 4.7, Kazakhstan — 4.4, Finland — 3.6, Belarus — 3.4, Italy — 3.1, the Netherlands — 3.0, Poland — 2.2 and Great Britain — 2.0 percent.

The adjusted data in the balance of non-factored services attest to the increased demands of Russian residents for their import and the inadequacy of their analogous export potential. The negative residual of this balance stems mainly from the sizable import of tourism services. The number of Russian citizens who visited foreign states in 1995 was almost triple the number of foreigners who came to our country. The expenditures of residents on trips abroad in January-September were estimated at $8.6 billion, as against the $3.3 billion spent by foreign citizens in our country.

The doubling of the deficit of "other" services, as compared with the level of the nine months of 1994, can be explained both by the rise in their import, and by the noticeable decrease in export (for example, geological prospecting, cultural, physical cultural and sports services, etc.).

The deficit in the balance of incomes was dictated by the fact that the obligations of Russian residents to pay interest on the use of borrowed capital exceeded the analogous demands for non-residents. In this case, the demands and obligations inherited from the former USSR account for the overwhelming majority of the payments, as can be seen from the data in the table, "Schedule of Payments of Interest on Credit."

The Schedule of Payments of Interest on Credit, mln U.S. dollars

	Granted		Attracted	
	total	incl. b. USSR*	total	incl. b. USSR*
1st Quarter 1994	2,153	2,094	1,125	943
2d Quarter 1994	374	315	1,206	1,036
3d Quarter 1994	218	146	1,310	1,053
9 months 1994	2,745	2,555	3,641	3,032
4th Quarter 1994	148	62	1,277	1,108
1994	2,893	2,617	4,918	4,140
1st Quarter 1995	2,390	2,208	1,411	1,140
2d Quarter 1995	363	252	1,327	1,110
3d Quarter 1995	181	69	2,077	1,800
9 months 1995	2,934	2,529	4,815	4,050

* Credit in OKV and SKV.

Statement of Operations with Capital and With Financial Instruments

A negative balance of $4.1 billion was formed on this statement.

The statement of operations with capital is represented mainly by data reflecting the total value estimate of the flows of commodities and financial assets and liabilities which accompany the resettling of migrants to and from our country. In January-September 1995, the number of immigrants exceeded the number of Russians who had left by a factor of 2.5. The value of the property and monetary funds removed from the country, however, was greater by a factor of 1.5, since the flow of immigrants was mainly made up of forced resettlers and refugees.

A negative balance of the financial statement ($3.6 billion) attests to the net-increase in financial demands on the rest of the world in the period under consideration and, as mentioned above, is related to the accumulation of foreign assets by the state sector.

Direct foreign investment in the national economy did not become significant. The measures taken by the state for the purpose of improving the legal support of foreign investments did not convince potential private investors of the benefit and reliability of placing capital in Russia. The registered volume of direct investments was slightly over $1 billion.

Considerable changes took place in the item, "Other investments."

The resultant multitude of factors affecting the movement of available SKV indicates, in the last analysis, the shift in the process of the dollarization of the economy. In January-September 1995, the increase in available SKV outside the banks was less than $0.6 billion, as compared with $3.3 billion for the corresponding period of the preceding year.

The aggregate balance of the movement of available convertible currency is given below.

Balance of Movement of Foreign Currency, bln U.S. dollars

	1st Quarter 1995	2d Quarter 1995	3d Quarter 1995	9 months of 1995
1. Imported, total	5.5	3.4	7.8	16.7
by banks	5.0	2.8	7.2	15.0
by immigrants	0.2	0.2	0.2	0.5
by tourists	0.3	0.4	0.4	1.1
2. Exported, total	4.0	5.2	6.8	16.1
by banks	0.1	0.1	0.1	0.3
by emigrants	0.4	0.4	0.4	1.2
by tourists	1.1	2.3	3.0	6.4
by "shuttles"	1.9	2.0	2.7	6.6
other	0.5	0.5	0.6	1.6
3. Increase in ready SKV among residents, total	1.5	-1.8	0.9	0.6
in bank cash funds	0.1	-0.1	-0.1	0.0
outside banks	1.3	-1.7	1.0	0.6

The foreign assets of Russian commercial banks, enterprises and organizations decreased primarily because of the decrease in the most liquid part of them. In particular, the remainders of the funds in corresponding accounts and in short-term deposits in foreign banks dropped by $3 billion during January-September.

An increase was observed in the volumes of commercial export loans granted, the indebtedness of non-residents for which rose in January-September by $1.6 billion (utilized — $24 billion, actually repaid —$22.4 billion). On average, over 40 percent of the commodity supplies every quarter were made in installments.

In January-September 1995, the state came forth as an active foreign debtor. Some $5.0 billion in credit was drawn on the state's line, and of it, $1.3 billion was utilized for bilateral credit agreements, guaranteed by the state, and $3.5 billion — for credit from international banking institutions and organizations. The foreign borrowings of the state bodies covered approximately 5 percent of the income of the consolidated budget.

Foreign indebtedness was handled in a well-regulated way: the actual payments increased from quarter to quarter, to which the strengthening of the national currency undoubtedly contributed. The total cleared indebtedness in the third quarter exceeded the payments of the first quarter by 32 percent, but the "load" on the economy in this case also lessened. While in the first quarter, the ratio of the cleared indebtedness to the GDP was 2.7 percent of the GDP, and in the third quarter it was 1.9 percent.

In the nine months of 1995, the gold reserve assets of the RF rose from $6.5 billion to $13.6 billion, which mainly stemmed from the increase in their currency component for the Bank of Russia.

Appendix 1

Balance of Payments of Russian Federation for 9 Months of 1995 (neutral presentation), in mln U.S. dollars

	Nine months		
	Credit	Debit	Balance
	1	2	3
RULES RELATING TO CREDIT AND DEBIT IN PAYMENT BALANCE			
Against credit:			
Export of commodities, export of services	•		+
Incomes and transfers received	•		+
Decrease in financial assets	•		+
Increase in liabilities	•		+
Against debit:			
Import of commodities, import of services		•	—
Incomes and transfers paid out		•	—
Increase in financial assets		•	—
Decrease in liabilities		•	—
STATEMENT OF CURRENT OPERATIONS	70,937	60,897	10,040
Commodities and non-factored services	66,647	54,963	11,684
Trade balance	57,807	40,097	17,710
Export of commodities (FOB)	57,807		57,807
Reference:			
Export of commodities (FOB, according to GTK data)	55,562		55,562
Amendments to GTK data	2,244		2,244
Amendments to inclusions, total	3,026		3,026

	Nine months		
	Credit	Debit	Balance
	1	2	3
property of migrants	957		957
humanitarian aid	4		4
other amendments to inclusions, including "shuttle trade"	2,066		2,066
Amendments to estimate, total	-782		-782
amendment to non-equivalent barter	-782		-782
Import of commodities (FOB)		40,097	-40,097
Reference:			
Import of commodities (CIF, according to GTK data)		32,851	-32,851
Amendments to GTK data		7,246	-7,246
Amendments to inclusions, total		9,601	-9,601
property of migrants		449	-449
humanitarian aid		633	-633
other amendments to inclusions, including "shuttle trade"		8,520	-8,520
Amendments to classification, total		-1,360	1,360
corrections for FOB prices		-1,360	1,360
Amendments to estimate, total		-996	996
amendment to non-equivalent barter		-996	996
Non-factored services	8,840	14,866	-6,026
Transport, including insurance	4,194	2,991	1,203
water	1,070	864	206
air	1,308	1,656	-347
others	1,816	472	1,344
Tourism	3,264	8,630	-5,366
Construction	65	930	-865
Financial	53	47	5
Other	1,265	2,268	-1,003
Balance of labor and capital services	3,589	5,493	-1,904
Balance of labor services	71	355	-284
Balance of capital services	3,518	5,138	-1,620
Participation in charter capital (dividends and profit)	43	183	-139
Interest on deposits and securities	540	141	399
Interest on credit (schedule)	2,935	4,815	-1,880
Payments of interest on attracted credit		4,815	-4,815

	Nine months		
	Credit	Debit	Balance
	1	2	3
By state administrative bodies		4,744	-4,744
Credit in OKV (1)		73	-73
Indebtedness of former USSR		4,050	-4,050
incl. interest on overdue indebtedness		1,720	-1,720
Russia's Indebtedness		621	-621
For loans of international banking institutions and organizations	251	-251	
For bilateral agreements		370	-370
By the private sector		71	-71
Receipt of interest on credit granted	2,935		2,935
To state administrative bodies	2,855		2,855
Credit in OKV (1)	2,827		2,827
Other credit	27		27
To private sector	80		80
Current transfers	701	441	260
contributions to international organizations		429	-429
humanitarian aid	636	4	633
in kind	633	4	629
in monetary form	4	0	4
for consulting service fee	4		4
other	65	9	56
STATEMENT OF OPERATIONS WITH CAPITAL AND FINANCIAL INSTRUMENTS	67,077	71,141	-4,064
Statement of operations with capital	2,181	2,666	-484
Capital transfers	2,181	2,666	-484
Transfers of migrants	1,815	2,666	-851
Transfers to pay for services for housing construction	366		366
Financial statement	64,896	68,476	-3,580
Direct investments	1,164	22	1,142
Abroad	1	0	1
Banking sector	1		1
Non-banking sector	...	...	...
In Russia	1,163	22	1,141
Banking sector		22	-22
Non-banking sector	1,163		1,163

	Nine months		
	Credit	Debit	Balance
	1	2	3
Portfolio investments	17	147	-130
Assets	0	147	-147
Banking sector		147	-147
Non-banking sector	...	...	...
Liabilities	17	0	17
Banking sector	17		17
Non-banking sector	...	...	...
Other investments	63,646	61,171	2,475
Assets	43,946	45,588	-1,643
Available foreign currency and deposits	3,006	648	2,358
Available foreign currency	11	586	-575
in bank cash fund	11		11
outside banks		586	-586
Current Accounts and short-term deposits	2,995	0	2,995
Banking sector	2,785		2,785
Non-banking sector	210		210
Long-term deposits		62	-62
Trade credits and advances	...	...	...
Balance on credit granted (incl. restructuring and arrears)	40,939	37,009	3,930
Credit granted	40,939	26,583	14,356
by state administrative bodies and guaranteed by them	8,510	69	8,441
utilized		69	-69
credit in OKV (1)		64	-64
other		5	-5
paid off (schedule)	8,447		8,447
credit in OKV (1)	8,442		8,442
other	5		5
commercial credit, guaranteed by state administrative bodies — net	63	0	63
By banking sector	2,212	2,494	-281
utilized		2,494	-2,494
paid off (schedule)	2,212		2,212
By enterprises	30,217	24,021	6,197
export credit	30,217	24,021	6,197

	Nine months		
	Credit	Debit	Balance
	1	2	3
utilized		24,021	-24,021
paid off (schedule)	30,217		30,217
import credit	...	...	...
Carried over	0	435	-435
For credit granted by state administrative bodies — credit in OKV (1)	0	435	-435
Basic debt	0	435	-435
interest	0	0	0
Overdue	0	9,991	-9,991
For loans granted	0	9,991	-9,991
By state administrative bodies	0	9,954	-9,954
Credit in OKV (1)	0	9,949	-9,949
basic debt		7,489	-7,489
interest		2,460	-2,460
Others:	0	5	-5
basic debt		5	-5
interest		0	0
By banking sector	0	38	-38
basic debt		37	-37
interest		1	-1
non-receipt of export earnings	0	5,626	-5,626
Other assets	0	2,305	-2,305
Liabilities	19,700	15,582	4,118
Available national currency and deposits	970	0	970
Available national currency (net import of cash rubles)	241		241
Current accounts and short-term deposits	697		697
Commercial banks and Vneshekonombank	662		662
The Bank of Russia — corresponding account of central banks of CIS and Baltic countries	35		35
Long-term deposits	32		32
Trade credits and advances	...	...	...
Balance on attracted credit (incl. restructuring and arrears)	18,616	15,517	3,098
Credit attracted	9,607	15,517	-5,910
By state administrative bodies and guaranteed by them	5,037	9,805	-4,768
utilized	5,037		5,037

	Nine months		
	Credit	Debit	Balance
	1	2	3
Credit in OKV (1)	226		226
Loans of international banking institutions and organizations	3,504		3,504
of them: IMF loans	3,341		3,341
According to bilateral agreements	1,308		1,308
paid off (schedule)		9,805	-9,805
Credit in OKV (1)		755	755
Indebtedness of former USSR		7,070	-7,070
Indebtedness of Russia		1,980	-1,980
For credit of international banking institutions and organizations		430	430
For bilateral agreements	1,550	-1,550	
By banking sector	1,915	1,441	474
utilized	1,915		1,915
paid off (schedule)		1,441	-1,441
By enterprises	2,654	4,271	-1,616
export credit	2,654	4,271	-1,616
utilized	2,654		2,654
paid off (schedule)		4,271	-4,271
import credit	...	...	...
Carried over	6,490	0	6,490
State administrative bodies			
For indebtedness of former USSR	6,490	0	6,490
basic debt	5,560	0	5,560
interest	930	0	930
For indebtedness of Russia	0	0	0
Overdue	2,519	0	2,519
For credit	2,433	0	2,433
To state administrative bodies	2,433	0	2,433
For credit in OKV (1)	193		193
basic debt	193		193
interest	0		0
For indebtedness of former USSR	2,240	0	2,240
basic debt	580		580
interest	1,660		1,660

	Nine months		
	Credit	Debit	Balance
	1	2	3
of them, for overdue indebtedness	1,320		1,320
For indebtedness of Russia	0	0	0
To banking sector	0	0	0
basic debt	0	0	0
interest	0	0	0
For other operations	86	0	86
Increase in indebtedness to CIS and Baltic enterprises for economic agreements	114	0	114
Other liabilities	0	65	-65
Reserve assets	0	7,137	-7,137
Monetary gold	0	0	0
Special borrowing rights	0	136	-136
Reserve position in IMF	0		0
Other currency assets	0	7,001	-7,001
Amendment to reserve assets (2)	70	0	70
Net errors and omissions	0	5,975	-5,975
Total Balance	138,014	138,014	0

1. State credit granted and attracted in accordance with intergovernment agreements concluded by the former USSR, and credit in rubles granted by Russia to the countries that were former USSR republics.

2. The statistics for the net international reserves of the Russian Federation include the liquid assets of the Bank of Russia and the RF Ministry of Finance in resident banks as part of the currency reserves, which does not correspond to the methodology of compiling the balance of payments. Because of this, the standard amendment has been entered for the item, "Reserve assets."

Appendix 3

Movement of RF Gold Reserve Assets in 9 Months of 1995

International Investment Position With Respect to Reserve Assets, in mln U.S. dollars

	Remainder on 1 January 1995 *	Changes in result of transactions	Changes in result of revaluation	Other changes **	Total changes (3+4+5)	Remainder on 1 January 1995 * (2+6)
1	2	3	4	5	6	7
Reserve assets	6,506	7,137	37	-58	7,116	13,622
Monetary gold ***	2,525	0	0	-58	-58	2,467
Special borrowing rights (SDR)	3	136	-8	0	128	132
Reserve position in IMF	1	0	0	0	0	1
Other currency assets	3,976	7,001	45	0	7,045	11,022

* The remainders are estimated according to the cross-exchange rates of currencies to the U.S. dollar on the basis of the exchange rates of the Bank of Russia to the ruble.

** For the item, "Monetary gold," in this column, the monetization (+)/demonetization (-) of the gold is shown.

*** The gold is estimated at U.S.$300 per Troy ounce

Explanations for table:

In accordance with the methodology adopted, the balance of payments shows only the changes in the volume of foreign assets and liabilities which occurred as a result of transactions (column 3). All the transactions are estimated according to the exchange rate at the time they were completed. All the other changes in the volume of assets and liabilities (columns 4, 5), as well as their conditions on a certain date (columns 2, 7) are reflected in the international investment position.

Other changes in the volume of assets and liabilities may occur as the result (i) of a change in the currency exchange rates and the market value of the financial instruments (for example, the value of the shares) in the initial currency (column 4) and (ii) other changes (column 5), an example of which could be the unilateral writing-off, or monetization/demonetization of the gold. The latter is the conversion of gold from a financial asset into a commodity which is no longer used as a means of payment between the central banks of the countries, and transfers it to the sphere of commodity circulation (for example, it is exported).

In columns 3, 4, 5 and 6, a positive number indicates an increase in assets, and minus one — a decrease.

Appendix 2

Balance of Payments of Russian Federation for 9 Months of 1995 (neutral presentation), in mln U.S. dollars

	1st Quarter			2d Quarter		
	Consolidated	With countries of the far abroad	with CIS countries	Consolidated	With countries of the far abroad	with CIS countries
STATEMENT OF CURRENT OPERATIONS	6,016	5,172	844	3,771	3,852	-81
Commodities and non-factored services	5,016	4,258	758	4,683	4,783	-100
Trade balance	6,039	5,260	779	6,622	6,517	105
Export of commodities (FOB)	18,375	14,690	3,685	20,016	16,597	3,419
Reference:						
Export of commodities (FOB, according to GTK data)	17,654	14,304	3,350	19,089	16,038	3,051
Amendments to GTK data	721	386	335	927	559	368
Amendments to inclusions, total	910	575	335	1,272	904	368
property of migrants	298	28	270	298	28	270
humanitarian aid	0	0	0	0	0	0
other amendments to inclusions, incl. "shuttle trade"	612	547	65	974	876	98
Amendments to estimate, total	-189	-189	0	-345	-345	0
amendments to non-equivalent barter	-189	-189	0	-345	-345	0
Import of commodities (FOB)	-12,336	-9,430	-2,906	-13,394	-10,080	-3,314
Reference:						
Import of commodities (CIF, according to GTK data)	-10,111	-7,848	-2,263	-11,296	-8,494	-2,802
Amendments to GTK data	-2,225	-1,582	-643	-2,098	-1,586	-512
Amendments to inclusions, total	-2,865	-2,029	-836	-2,976	-2,070	-906

	1st Quarter			2d Quarter		
	Consolidated	**With countries of the far abroad**	**with CIS countries**	**Consolidated**	**With countries of the far abroad**	**with CIS countries**
property of migrants	-154	-21	-133	-154	-21	-133
humanitarian aid	-211	-208	-3	-152	-149	-3
other amendments to inclusions, incl. "shuttle trade"	-2,500	-1,800	-700	-2,670	-1,900	-770
Amendments to classification, total	447	447	0	484	484	0
corrections to FOB prices	447	447	0	484	484	0
Amendments to estimate, total	193	0	193	394	0	394
amendment for non-equivalent barter	193	0	193	394	0	394
Non-factored services	-1,023	-1,002	-21	-1,939	-1,734	-205
Export	2,393	2,015	378	3,127	2,648	479
Transport, incl. insurance	1,134	920	214	1,411	1,182	229
water	356	289	67	358	300	58
air	401	325	76	469	393	76
other	377	306	71	584	489	95
Tourism	787	632	155	1,210	971	239
Construction	18	18	0	31	31	0
Financial	22	21	1	21	20	1
Other	433	425	8	453	443	10
Import	-3,417	-3,018	-399	-5,065	-4,381	-684
Transport, incl. insurance	-895	-744	-151	-943	-766	-177
water	-273	-227	-46	-294	-239	-55
air	-521	-433	-88	-494	-401	-93
other	-101	-84	-17	-155	-126	-29
Tourism	-1,520	-1,303	-217	-3,039	-2,605	-434
Construction	-320	-320	0	-300	-300	0
Financial	-14	-14	0	-15	-15	0
Other	-668	-637	-31	-769	-696	-73

	1st Quarter			2d Quarter		
	Consolidated	With countries of the far abroad	with CIS countries	Consolidated	With countries of the far abroad	with CIS countries
Balance of labor and capital services (balance of incomes)	861	787	74	-938	-945	7
Export of services	2,582	2,433	149	561	476	85
Labor	15	15	0	17	17	0
Capital	2,567	2,418	149	544	459	85
Participation in charter capital (dividends and profit)	16	16	0	14	12	2
Interest on deposits and securities	161	161	0	167	165	2
Interest on credit granted (schedule)	2,390	2,241	149	363	282	81
By state administrative bodies	2,357	2,208	149	333	252	81
Credit in OKV *	2,333	2,184	149	332	251	81
Other credit	25	25	0	1	1	0
By the private sector	33	33	0	30	30	0
Import of services	-1,721	-1,646	-75	-1,499	-1,421	-78
Labor	-83	-12	-71	-113	-41	-72
Capital	-1,638	-1,634	-4	-1,387	-1,381	-6
Participation in charter capital (dividends and profit)	-162	-162	0	-14	-12	-2
Interest on deposits and securities (schedule)	-66	-62	-4	-46	-42	-4
Interest on attracted credit (schedule)	-1,411	-1,411	0	-1,327	-1,327	0
By state administrative bodies	-1,393	-1,393	0	-1,300	-1,300	0
Credit in OKV *	-42	-42	0	-31	-31	0
Indebtedness of former USSR	-1,140	-1,140	0	-1,110	-1,110	0
incl. interest on overdue indebtedness	-540	-540	0	-570	-570	0

	1st Quarter			2d Quarter		
	Consolidated	With countries of the far abroad	with CIS countries	Consolidated	With countries of the far abroad	with CIS countries
Indebtedness of Russia	-211	-211	0	-160	-160	0
For loans of international banking institutions and organizations	-61	-61	0	-100	-100	0
For bilateral agreements	-150	-150	0	-60	-60	0
By the private sector	-18	-18	0	-27	-27	0
Current transfers	138	126	12	26	14	12
Received	224	212	12	187	175	12
humanitarian aid	213	210	3	153	150	3
in kind	211	208	3	152	149	3
in monetary form	2	2	0	1	1	0
to pay for consulting services	2	2	0	1	1	0
other	11	2	9	34	25	9
Paid out	-86	-86	0	-161	-161	0
contributions to international organizations	-84	-84	0	-159	-159	0
humanitarian aid	0	0	0	0	0	0
others	-2	-2	0	-2	-2	0
STATEMENT OF OPERATIONS WITH CAPITAL AND FINANCIAL INSTRUMENTS	-3,125	-3,039	-86	-2,857	-2,931	74
Statement of operations with capital	-61	-74	13	-98	-111	13
Capital transfers	-61	-74	13	-98	-111	13
Transfers of migrants	-215	-228	13	-215	-228	13
received	624	71	553	624	71	553
paid out	-839	-299	-540	-839	-299	-540
Transfers received to pay for services for housing construction	154	154	0	117	117	0
Financial account	-3,063	-2,964	-99	-2,759	-2,820	61

	1st Quarter			2d Quarter		
	Consolidated	With countries of the far abroad	with CIS countries	Consolidated	With countries of the far abroad	with CIS countries
Direct investments	187	186	1	296	295	1
Abroad	-2	-2	0	7	7	0
Banking sector	-2	-2	0	7	7	0
Non-banking sector	...	...	...	...	...	...
To Russia	188	187	1	289	288	1
Banking sector	-26	-26	0	7	7	0
Non-banking sector	214	213	1	282	281	1
Portfolio investments	-52	-52	0	-65	-65	0
Assets	-96	-96	0	-28	-28	0
Banking sector	-96	-96	0	-28	-28	0
Non-banking sector	...	...	...	...	...	...
Liabilities	43	43	0	-37	-37	0
Banking sector	43	43	0	-37	-37	0
Non-banking sector	...	...	...	...	...	...
Other investments	-3,248	-3,148	-100	3,210	3,150	60
Assets	-4,378	-4,109	-269	1,297	1,542	-245
Available foreign currency and deposits	-283	-429	146	2,996	3,049	-53
Available foreign currency	-1,466	-1,466	0	1,834	1,834	0
in cash funds of banks	-144	-144	0	84	84	0
outside of banks	-1,322	-1,322	0	1,750	1,750	0
Current accounts and short-term deposits	1,247	1,101	146	1,160	1,213	-53
Banking sector	1,074	928	146	1,059	1,112	-53
Non-banking sector	173	173	0	101	101	0

	1st Quarter			2d Quarter		
	Consolidated	**With countries of the far abroad**	**with CIS countries**	**Consolidated**	**With countries of the far abroad**	**with CIS countries**
Long-term deposits	-64	-64	0	1	1	0
Trade credit and advances	...	...	...	...	...	...
Balance on credit granted (incl. restructuring and arrears)	-2,543	-2,570	27	-273	-373	100
Credit granted	2,447	2,185	262	3,634	3,327	307
By state administrative bodies, guaranteed by them	2,939	2,789	150	3,948	3,816	132
utilized	-13	-12	-1	-27	-7	-20
credit in OKV *	-12	-11	-1	-26	-6	-20
other	-1	-1	0	-1	-1	0
paid off (schedule)	2,914	2,763	151	3,955	3,803	152
credit in OKV *	2,911	2,760	151	3,954	3,802	152
other	3	3	0	2	2	0
Commercial loans, guaranteed by state administrative bodies — net	38	38	0	19	19	0
By banking sector	-263	-263	0	-80	-80	0
utilized	-932	-932	0	-919	-919	0
paid off (schedule)	668	668	0	839	839	0
By enterprises	-228	-340	112	-234	-409	175
export credit	-228	-340	112	-234	-409	175
utilized	-9,656	-7,888	-1,768	-6,548	-5,678	-870
paid off (schedule)	9,428	7,548	1,880	6,314	5,269	1,045
import credit	...	...	...	...	...	...
Carried over	-178	-57	-121	-129	-8	-121

	1st Quarter			2d Quarter		
	Consolidated	With countries of the far abroad	with CIS countries	Consolidated	With countries of the far abroad	with CIS countries
For credit granted by state administrative bodies — credit in OKV *	-178	-57	-121	-129	-8	-121
basic debt	-178	-57	-121	-129	-8	-121
interest	0	0	0	0	0	0
Overdue	-4,812	-4,698	-114	-3,778	-3,692	-86
For credit granted	-4,812	-4,698	-114	-3,778	-3,692	-86
By state administrative bodies	-4,803	-4,689	-114	-3,758	-3,672	-86
Credit in OKV *	-4,800	-4,686	-114	-3,757	-3,671	-86
basic debt	-2,582	-2,552	-30	-3,561	-3,530	-31
interest	-2,217	-2,133	-84	-196	-141	-55
Other	-3	-3	0	-2	-2	0
basic debt	-3	-3	0	-2	-2	0
interest	0	0	0	0	0	0
By banking sector	-9	-9	0	-20	-20	0
basic debt	-9	-9	0	-20	-20	0
interest	0	0	0	0	0	0
Non-receipt of export earnings	-1,318	-946	-372	-872	-668	-204
Other assets	-235	-165	-70	-553	-465	-88
Liabilities	1,131	962	169	1,913	1,608	305
Available national currency and deposits	221	197	24	333	170	163
Available national currency (net import of cash rubles)	-27	0	-27	74	0	74
Current accounts and short-term deposits	244	193	51	265	176	89
Commercial banks and Vneshekonombank	234	194	40	249	176	73

	1st Quarter			2d Quarter		
	Consolidated	With countries of the far abroad	with CIS countries	Consolidated	With countries of the far abroad	with CIS countries
Bank of Russia — corresponding accounts of central banks of CIS and Baltic countries	11	0	11	16	0	16
Long-term deposits	4	4	0	-6	-6	0
Trade credit and advances	...	...	...	...	...	...
Balance on attracted credit (incl. restructuring and arrears)	823	703	120	1,592	1,562	30
Attracted credit	-2,286	-2,378	92	-638	-639	1
By state administrative bodies, guaranteed by them	-2,706	-2,706	0	-617	-617	0
utilized	611	611	0	2,130	2,130	0
Credit in OKV *	120	120	0	39	39	0
Loans of international banking institutions and organizations	33	33	0	1,740	1,740	0
of them: IMF loans	0	0	0	1,690	1,690	0
According to bilateral agreements	458	458	0	350	350	0
paid off (schedule)	-3,317	-3,317	0	-2,747	-2,747	0
Credit in OKV *	-207	-207	0	-337	-337	0
Indebtedness of former USSR	-2,580	-2,580	0	-1,540	-1,540	0
Indebtedness of Russia	-530	-530	0	-870	-870	0
For loans of international banking institutions and organizations	-190	-190	0	-190	-190	0
For bilateral agreements	-340	-340	0	-680	-680	0
By banking sector	127	127	0	361	361	0
utilized	457	457	0	675	675	0

	1st Quarter			2d Quarter		
	Consolidated	With countries of the far abroad	with CIS countries	Consolidated	With countries of the far abroad	with CIS countries
paid off (schedule)	-330	-330	0	-314	-314	0
By enterprises	293	201	92	-382	-383	1
export credit	293	201	92	-382	-383	1
utilized	474	382	92	1,302	1,085	217
paid off (schedule	-181	-181	0	-1,683	-1,467	-216
import credit	...	...	...	...	...	...
Carried over	2,210	2,210	0	1,670	1,670	0
For credit attracted by state administrative bodies						
For indebtedness of former USSR	2,210	2,210	0	1,670	1,670	0
basic debt	2,040	2,040	0	1,410	1,410	0
interest	170	170	0	260	260	0
For indebtedness of Russia	0	0	0	0	0	0
Overdue	899	871	28	560	531	29
For credit attracted	871	871	0	531	531	0
By state administrative bodies	871	871	0	531	531	0
For credit in OKV *	51	51	0	141	141	0
basic debt	51	51	0	141	141	0
interest	0	0	0	0	0	0
For indebtedness of former USSR	820	820	0	390	390	0
basic debt	190	190	0	130	130	0
interest	630	630	0	260	260	0
of them: for overdue indebtedness	490	490	0	220	220	0
For indebtedness of Russia	0	0	0	0	0	0

	1st Quarter			**2d Quarter**		
	Consolidated	**With countries of the far abroad**	**with CIS countries**	**Consolidated**	**With countries of the far abroad**	**with CIS countries**
By banking sector	0	0	0	0	0	0
basic debt	0	0	0	0	0	0
interest	0	0	0	0	0	0
For other transactions	28	0	28	29	0	29
Increase in indebtedness to CIS and Baltic enterprises according to economic agreements	22	-3	25	126	14	112
Other liabilities	64	64	0	-138	-138	0
Reserve assets	-96	-96		-5,396	-5,936	
Monetary gold	0	0	-	0	0	-
Special borrowing rights	1	1	-	-230	-230	-
Reserve position in IMF	0	0	-	0	0	-
Other currency assets	-97	-97	-	-5,706	-5,706	-
Amendment to reserve assets **	146	146		-263	-263	
AMENDMENTS TO SETTLEMENTS WITH CIS AND FAR-ABROAD COUNTRIES ***		-508	508		-663	663
NET ERRORS AND OMISSIONS	-2,891	-1,625	-1,266	-914	-259	-656
TOTAL BALANCE	0	0	0	0	0	0

	3d Quarter			**Nine months**		
	Consolidated	**With countries of the far abroad**	**with CIS countries**	**Consolidated**	**With countries of the far abroad**	**with CIS countries**
STATEMENT OF CURRENT OPERATIONS	253	1,085	-832	10,040	10,109	-69
Commodities and non-factored services	1,984	2,851	-867	11,684	11,893	-209
Trade balance	5,048	5,492	-444	17,710	17,270	440
Export of commodities (FOB)	19,416	15,365	4,050	57,807	46,652	11,154

	3d Quarter			Nine months		
	Consolidated	With countries of the far abroad	with CIS countries	Consolidated	With countries of the far abroad	with CIS countries
Reference:						
Export of commodities (FOB, according to GTK data)	18,819	15,226	3,593	55,562	45,568	9,994
Amendments to GTK data	597	140	457	2,244	1,084	1,160
Amendments to inclusions, total	844	387	457	3,026	1,866	1,160
property of migrants	361	31	330	957	87	870
humanitarian aid	3	2	1	4	3	1
other amendments to inclusions, incl. "shuttle trade"	480	354	126	2,066	1,777	289
Amendments to estimate, total	-248	-248	0	-782	-782	0
amendments to non-equivalent barter	-248	-248	0	-782	-782	0
Import of commodities (FOB)	-14,367	-9,873	-4,494	-40,097	-29,383	-10,714
Reference:						
Import of commodities (CIF, according to GTK data)	-11,444	-7,513	-3,931	-32,851	-23,855	-8,996
Amendments to GTK data	-2,923	-2,360	-563	-7,246	-5,528	-1,718
Amendments to inclusions, total	-3,760	-2,788	-972	-9,601	-6,887	-2,714
property of migrants	-141	-24	-117	-449	-66	-383
humanitarian aid	-270	-265	-5	-633	-622	-11
other amendments to inclusions, incl. "shuttle trade"	-3,350	-2,500	-850	-8,520	-6,200	-2,320
Amendments to classification, total	428	428	0	1,360	1,360	0
corrections to FOB prices	428	428	0	1,360	1,360	0
Amendments to estimate, total	409	0	409	996	0	996
amendment for non-equivalent barter	409	0	409	996	0	996
Non-factored services	-3,064	-2,641	-423	-6,026	-5,377	-649

	3d Quarter			Nine months		
	Consolidated	**With countries of the far abroad**	**with CIS countries**	**Consolidated**	**With countries of the far abroad**	**with CIS countries**
Export	3,320	2,741	579	8,840	7,404	1,436
Transport, incl. insurance	1,649	1,333	316	4,194	3,435	759
water	356	288	68	1,070	877	193
air	438	354	84	1,308	1,072	236
other	855	691	164	1,816	1,486	330
Tourism	1,267	1,017	250	3,264	2,620	644
Construction	16	16	0	65	65	0
Financial	10	10	0	53	51	2
Other	379	366	13	1,265	1,234	31
Import	-6,384	-5,382	-1,002	-14,866	-12,781	-2,085
Transport, incl. insurance	-1,154	-832	-322	-2,991	-2,341	-650
water	-297	-214	-83	-864	-680	-184
air	-641	-462	-179	-1,656	-1,296	-360
other	-216	-156	-60	-472	-366	-106
Tourism	-4,071	-3,490	-581	-8,630	-7,398	-1,232
Construction	-310	-310	0	-930	-930	0
Financial	-18	-18	0	-47	-47	0
Other	-831	-732	-99	-2,268	-2,065	-203
Balance of labor and capital services (balance of incomes)	-1,827	-1,850	23	-1,904	-2,008	104
Export of services	446	348	98	3,589	3,257	332
Labor	40	40	0	71	71	0
Capital	406	308	98	3,518	3,186	332
Participation in charter capital (dividends and profit)	13	12	1	43	40	3
Interest on deposits and securities	212	211	1	540	537	3
Interest on credit granted (schedule)	181	85	96	2,935	2,609	326
By state administrative bodies	165	69	96	2,855	2,529	326
Credit in OKV	163	67	96	2,827	2,501	326
Other credit	2	2	0	27	27	0

	3d Quarter			Nine months		
	Consolidated	**With countries of the far abroad**	**with CIS countries**	**Consolidated**	**With countries of the far abroad**	**with CIS countries**
By the private sector	16	16	0	80	80	0
Import of services	-2,273	-2,198	-75	-5,493	-5,265	-228
Labor	-159	-88	-71	-355	-141	-214
Capital	-2,113	-2,109	-4	-5,138	-5,124	-14
Participation in charter capital (dividends and profit)	-7	-6	-1	-183	-180	-3
Interest on deposits and securities (schedule)	-29	-26	-3	-141	-130	-11
Interest on attracted credit (schedule)	-2,077	-2,077	0	-4,815	-4,815	0
By state administrative bodies	-2,050	-2,050	0	-4,744	-4,744	0
Credit in OKV *	0	0	0	-73	-73	0
Indebtedness of former USSR	-1,800	-1,800	0	-4,050	-4,050	0
incl. interest on overdue indebtedness	-610	-610	0	-1,720	-1,720	0
Indebtedness of Russia	-250	-250	0	-621	-621	0
For loans of international banking institutions and organizations	-90	-90	0	-251	-251	0
For bilateral agreements	-160	-160	0	-370	-370	0
By the private sector	-27	-27	0	-71	-71	0
Current transfers	95	83	12	260	224	36
Received	290	277	13	701	664	37
humanitarian aid	270	265	5	636	625	11
in kind	270	265	5	633	622	11
in monetary form	0	0	0	4	4	0
to pay for consulting services	0	0	0	4	4	0
other	20	12	8	65	39	26
. Paid out	-195	-194	-1	-441	-440	-1
contributions to international organizations	-187	-187	0	-429	-429	0
humanitarian aid	-3	-2	-1	-4	-3	-1

	3d Quarter			Nine months		
	Consolidated	**With countries of the far abroad**	**with CIS countries**	**Consolidated**	**With countries of the far abroad**	**with CIS countries**
others	-5	-5	0	-9	-9	0
STATEMENT OF OPERATIONS WITH CAPITAL AND FINANCIAL INSTRUMENTS	1,917	3,367	-1,450	-4,064	-2,602	-1,462
Statement of operations with capital	-325	-153	-172	-484	-338	-146
Capital transfers	-325	-153	-172	-484	-338	-146
Transfers of migrants	-421	-249	-172	-851	-705	-146
received	567	79	488	1,815	221	1,594
paid out	-988	-328	-660	-2,666	-926	-1,740
Transfers received to pay for services for housing construction	96	96	0	366	366	0
Financial account	2,242	3,520	-1,278	-3,580	-2,264	-1,316
Direct investments	659	625	34	1,142	1,106	36
Abroad	-4	-4	0	1	1	0
Banking sector	-4	-4	0	1	1	0
Non-banking sector	...	...	...	...	...	...
To Russia	664	630	34	1,141	1,105	36
Banking sector	-3	-3	0	-22	-22	0
Non-banking sector	667	633	34	1,163	1,127	36
Portfolio investments	-13	-13	0	-130	-130	0
Assets	-23	-23	0	-147	-147	0
Banking sector	-23	-23	0	-147	-147	0
Non-banking sector	...	...	...	...	...	...
Liabilities	10	10	0	17	17	0
Banking sector	10	10	0	17	17	0
Non-banking sector	...	...	...	...	...	...
Other investments	2,513	3,825	-1,312	2,475	3,827	-1,352
Assets	1,439	2,555	-1,116	-1,643	-13	-1,630
Available foreign currency and deposits	-354	-456	102	2,358	2,163	195

	3d Quarter			Nine months		
	Consolidated	With countries of the far abroad	with CIS countries	Consolidated	With countries of the far abroad	with CIS countries
Available foreign currency	-942	-942	0	-575	-575	0
in cash funds of banks	71	71	0	11	11	0
outside of banks	-1,013	-1,013	0	-586	-586	0
Current accounts and short-term deposits	588	486	102	2,995	2,800	195
Banking sector	652	550	102	2,785	2,590	195
Non-banking sector	-64	-64	0	210	210	0
Long-term deposits	0	0	0	-62	-62	0
Trade credit and advances	...	...	...	...	...	...
Balance on credit granted (incl. restructuring and arrears)	6,746	7,042	-296	3,930	4,099	-169
Credit granted	8,275	8,396	-121	14,356	13,908	448
By state administrative bodies, guaranteed by them	1,555	1,408	147	8,441	8,012	429
utilized	-29	-18	-11	-69	-37	-32
credit in OKV *	-26	-15	-11	-64	-32	-32
other	-3	-3	0	-5	-5	0
paid off (schedule)	1,578	1,420	158	8,447	7,986	461
credit in OKV *	1,578	1,420	158	8,442	7,981	461
other	0	0	0	5	5	0
Commercial loans, guaranteed by state administrative bodies — net	6	6	0	63	63	0
By banking sector	62	62	0	-281	-281	0
utilized	-643	-643	0	-2,494	-2,494	0
paid off (schedule)	705	705	0	2,212	2,212	0
By enterprises	6,659	6,927	-268	6,197	6,178	19
export credit	6,659	6,927	-268	6,197	6,178	19

	3d Quarter			Nine months		
	Consolidated	With countries of the far abroad	with CIS countries	Consolidated	With countries of the far abroad	with CIS countries
utilized	-7,816	-6,297	-1,519	-24,021	-19,864	-4,157
paid off (schedule)	14,475	13,224	1,251	30,217	26,041	4,176
import credit	...	...	...	...	...	...
Carried over	-128	-7	-121	-435	-72	-363
For credit granted by state administrative bodies — credit in OKV *	-128	-7	-121	-435	-72	-363
basic debt	-128	-7	-121	-435	-72	-363
interest	0	0	0	0	0	0
Overdue	-1,401	-1,347	-54	-9,991	-9,737	-254
For credit granted	-1,401	-1,347	-54	-9,991	-9,737	-254
By state administrative bodies	-1,393	-1,339	-54	-9,954	-9,700	-254
Credit in OKV *	-1,393	-1,339	-54	-9,949	-9,695	-254
basic debt	-1,346	-1,317	-29	-7,489	-7,399	-90
interest	-47	-22	-25	-2,460	-2,296	-164
Other	0	0	0	-5	-5	0
basic debt	0	0	0	-5	-5	0
interest	0	0	0	0	0	0
By banking sector	-8	-8	0	-38	-38	0
basic debt	-8	-8	0	-37	-37	0
interest	-1	-1	0	-1	-1	0
Non-receipt of export earnings	-3,436	-2,844	-592	-5,626	-4,458	-1,168
Other assets	-1,517	-1,187	-330	-2,305	-1,817	-488
Liabilities	1,074	1,270	-196	4,118	3,840	278
Available national currency and deposits	416	273	143	970	640	330
Available national currency (net import of cash rubles)	194	0	194	241	0	241
Current accounts and short-term deposits	188	239	-51	697	608	89
Commercial banks and Vneshekonombank	179	238	-59	662	608	54

	3d Quarter			Nine months		
	Consolidated	With countries of the far abroad	with CIS countries	Consolidated	With countries of the far abroad	with CIS countries
Bank of Russia — corresponding accounts of central banks of CIS and Baltic countries	8	0	8	35	0	35
Long-term deposits	35	35	0	32	32	0
Trade credit and advances	...	...	...	...	...	...
Balance on attracted credit (incl. restructuring and arrears)	683	985	-302	3,098	3,250	-152
Attracted credit	2,986	-2,655	-331	-5,910	-5,672	-238
By state administrative bodies, guaranteed by them	-1,445	-1,445	0	-4,768	-4,768	0
utilized	2,296	2,296	0	5,037	5,037	0
Credit in OKV *	66	66	0	226	226	0
Loans of international banking institutions and organizations	1,730	1,730	0	3,504	3,504	0
of them: IMF loans	1,650	1,650	0	3,341	3,341	0
According to bilateral agreements	500	500	0	1,308	1,308	0
paid off (schedule)	-3,742	-3,742	0	-9,805	-9,805	0
Credit in OKV *	-212	-212	0	-755	-755	0
Indebtedness of former USSR	-2,950	-2,950	0	-7,070	-7,070	0
Indebtedness of Russia	-580	-580	0	-1,980	-1,980	0
For loans of international banking institutions and organizations	-50	-50	0	-430	-430	0
For bilateral agreements	-530	-530	0	-1,550	-1,550	0
By banking sector	-13	-13	0	474	474	0
utilized	784	784	0	1,915	1,915	0
paid off (schedule)	-797	-797	0	-1,441	-1,441	0

	3d Quarter			Nine months		
	Consolidated	With countries of the far abroad	with CIS countries	Consolidated	With countries of the far abroad	with CIS countries
By enterprises	-1,528	-1,197	-331	-1,616	-1,378	-238
export credit	-1,528	-1,197	-331	-1,616	-1,378	-238
utilized	879	590	289	2,654	2,056	598
paid off (schedule)	-2,407	-1,787	-620	-4,271	-3,435	-836
import credit	...	...	...	...	...	...
Carried over	2,610	2,610	0	6,490	6,490	0
For credit attracted by state administrative bodies						
For indebtedness of former USSR	2,610	2,610	0	6,490	6,490	0
basic debt	2,110	2,110	0	5,560	5,560	0
interest	500	500	0	930	930	0
For indebtedness of Russia	0	0	0	0	0	0
Overdue	1,059	1,030	29	2,519	2,433	86
For credit attracted	1,030	1,030	0	2,433	2,433	0
By state administrative bodies	1,030	1,030	0	2,433	2,433	0
For credit in OKV *	0	0	0	193	193	0
basic debt	0	0	0	193	193	0
interest	0	0	0	0	0	0
For indebtedness of former USSR	1,030	1,030	0	2,240	2,240	0
basic debt	260	260	0	580	580	0
interest	770	770	0	1,660	1,660	0
of them: for overdue indebtedness	610	610	0	1,320	1,320	0
For indebtedness of Russia	0	0	0	0	0	0
By banking sector	0	0	0	0	0	0
basic debt	0	0	0	0	0	0
interest	0	0	0	0	0	0
For other transactions	29	0	29	86	0	86

	3d Quarter			Nine months		
	Consolidated	With countries of the far abroad	with CIS countries	Consolidated	With countries of the far abroad	with CIS countries
Increase in indebtedness to CIS and Baltic enterprises according to economic agreements	-34	3	-37	114	14	100
Other liabilities	9	9	0	-65	-65	0
Reserve assets	-1,105	-1,105		-7,137	-7,137	
Monetary gold	0	0	-	0	0	-
Special borrowing rights	93	93	-	-136	-136	-
Reserve position in IMF	0	0	-	0	0	-
Other currency assets	-1,198	-1,198	-	-7,001	-7,001	-
Amendment to reserve assets **	187	187		70	70	
AMENDMENTS TO SETTLEMENTS WITH CIS AND FAR-ABROAD COUNTRIES ***		-785	785		-1,956	1,956
NET ERRORS AND OMISSIONS	-2,170	-3,667	1,497	-5,975	-5,550	-425
TOTAL BALANCE	0	0	0	0	0	0

* State credit granted and attracted in accordance with intergovernmental agreements concluded by the former USSR, and credit in rubles granted by Russia to the countries which are former USSR republics.

** The statistics of the net international reserves of the RF include the liquid assets of the Bank of Russia and the RF Ministry of Finances as part of the currency reserves, which does not correspond to the methodology for compiling the balance of payments. Because of this, the standard amendment is introduced for the item, "Reserve assets."

*** The payment balances with groups of countries — Russia's payment balances with the CIS countries and the countries of the far abroad are not balanced, since one party to several transactions may be included in the first regional balance, and the other — in the second. For example, the CIS countries can make payments in SKV on behalf of Russia with the funds entered into the account of Russian residents in the banks of the Far Abroad.

*Russia: Law on Excise Taxes

964E0804A Moscow ROSSIYSKAYA GAZETA in Russian 13 Mar 96 p 4

[Russian Federation Federal Law "On Introducing Changes Into the Russian Federation Law 'On Excise Taxes,'" adopted by the State Duma on 14 February 1996]

[FBIS Translated Text] **Article 1.** The following changes shall be introduced into the Russian Federation Law "On Excise Taxes" (Vedomosti RSFSR Congress of People's Deputies and RSFSR Supreme Soviet, 1991, No. 52, p. 1872; Vedomosti Congress of People's Deputies of the Russian Federation and Supreme Soviet of the Russian Federation, 1992, No. 34, p. 1976; 1993, No. 2, p. 74; No. 4, p. 118; No. 35, p. 1415), and it shall be expressed in the following edition:

"FEDERAL LAW ON EXCISE TAXES

"Article 1. General principles

"The present federal law introduces excise taxes—indirect taxes, included in the price of the goods (products).

"The following goods (products) are subject to payment of excise tax: Ethyl alcohol made from all types of raw materials, wine alcohol, consumable alcohol, vodka, liquor-vodka products, cognac, champagne (sparkling wine), natural wine, other alcoholic beverages, beer, tobacco products, jewelry goods, automobile gasoline, passenger cars (with the exception of automobiles with manual controls sold to disabled persons in accordance with the procedure defined by the Russian Federation Government), as well as individual types of mineral raw materials in accordance with the list ratified by the Russian Federation Government (henceforth—goods subject to excise tax).

"In the import of goods subject to excise tax onto the territory of the Russian Federation, the order of application of excise tax is established by the present federal law and the customs legislation of the Russian Federation.

"Article 2. Payers of excise tax

"Payers of excise tax are:

"a) on goods subject to excise tax which are produced on the territory of the Russian Federation (with the exception of those produced from customer-supplied raw materials)—the enterprises, institutions, and organizations that manufacture and sell these goods, which, in accordance with Russian Federation legislation, are legal entities, their affiliates and other individual subdivisions having a separate balance and current account; foreign legal entities, international organizations, branches, and other individual subdivisions of foreign legal entities and international organizations created on the territory of the Russian Federation, as well as foreign organizations not having the status of a legal entity (henceforth—organizations);

"b) on goods subject to excise tax that are produced from customer-supplied raw materials on the territory of the Russian Federation—the organizations that produce these goods;

"c) on goods subject to excise tax that are produced outside the boundaries of Russian Federation territory from customer-supplied materials belonging to organizations subject to registration as taxpayers in the Russian Federation—by the organization paying for the cost of the work to produce and sell these goods.

"The complement of payers of excise taxes in regard to goods imported onto the territory of the Russian Federation is defined by the customs legislation of the Russian Federation.

"Article 3. Object of taxation

"1. The object of taxation is:

"a) on goods produced on the territory of the Russian Federation:

"—for organizations manufacturing and selling goods subject to excise tax, with the exception of goods made from customer-supplied raw materials, and also those used for production of goods that are not subject to excise tax—the value of the goods subject to excise tax, determined based on the wholesale factory prices, including the excise tax at the established rates;

"—for organizations manufacturing goods subject to excise tax from customer-supplied raw materials—the value of these goods, determined based on the maximum wholesale factory prices applied at the given organization, with consideration for the excise tax at established rates on analogous goods of their own production at the moment of delivery of the finished goods, and in their absence—based on the market prices formulated in the given region for analogous goods in the previous reporting period;

"—for organizations producing goods subject to excise tax and used for the production of goods that are not subject to excise tax—the actual production cost, with consideration for the excise taxes;

"b) on goods produced outside the boundaries of Russian Federation territory from customer-supplied raw materials belonging to organizations subject to registration as taxpayers in the Russian Federation and paying the cost of the work on manufacture of these goods—the value of the sold goods subject to excise tax, determined based on the wholesale factory prices, including the excise tax at established rates;

"c) on types of mineral raw materials subject to excise tax, on which firm (specific) rates of excise tax have been established (in absolute sum per unit of taxation)—the volume of extracted goods subject to excise tax, in physical volume.

"2. For goods imported onto the territory of the Russian Federation, the object of taxation is determined in accordance with the customs legislation of the Russian Federation. In establishing specific rates of excise taxes, the object of taxation is the volume of imported goods subject to excise tax, in physical volume.

"3. In the case of payment in kind for labor, with the produced goods subject to excise tax, in barter with the use of goods subject to excise tax, and in the case of their transfer without compensation or at prices that are below the market prices, the object of taxation is the value of the goods subject to excise tax, determined based on the maximal wholesale factory prices, with consideration for the excise tax at the established rates on analogous goods of one's own production at the moment of transfer of the finished goods, and in their absence—based on the market prices formulated in the given region on analogous goods in the previous reporting period.

"Excise taxes are also paid on the sums of monetary funds received by organizations in the form of financial aid, replenishment of special purpose funds, as well as value of stock options, given in return for the goods subject to excise tax produced and sold by them.

"4. Excise taxes are not paid on goods subject to excise tax that are exported outside the boundaries of the Russian Federation territory (with exception of goods subject to excise tax that are exported to the states participating in the Commonwealth of Independent States, types of mineral raw materials subject to excise tax, and also goods subject to excise tax that are exported in the order of commodity exchange).

"Article 4. Rates of excise tax

"1. Rates of excise tax on goods subject to excise tax (with the exception of types of mineral raw materials subject to excise tax) produced on the territory of the Russian Federation are standard for the entire territory of the Russian Federation.

"Rates of excise tax on goods subject to excise tax and imported onto the territory of the Russian Federation are established with consideration for provision of protection of the domestic producer and consumer and retention of competitiveness of domestic-made goods, and are standard over the entire territory of the Russian Federation.

"2. Rates of excise tax on goods subject to excise tax (with exception of types of mineral raw materials subject to excise tax) produced on the territory of the Russian Federation are established in amounts in accordance with Appendix 1 of the present federal law.

"Rates of excise tax on goods subject to excise tax and imported onto the territory of the Russian Federation are established in amounts according to Appendix 2 of the present federal law.

"3. Rates of advance payment in the form of purchase of excise duty stamps on individual types of goods subject to excise tax are ratified by the Russian Federation Government.

"4. Rates of excise tax on types of mineral raw materials subject to excise tax are ratified by the Russian Federation Government with differentiation for various deposits, depending on their mining-geological and economic-geographic conditions.

"Article 5. Procedure for computation and payment of excise taxes

"1. The sum of the excise tax is determined independently by the taxpayers. Moreover, the sum of the excise tax is indicated as a separate line in accounting documents on goods subject to excise tax.

"In the case of using goods subject to excise tax as raw materials, including customer-supplied materials (with the exception of types of mineral raw materials subject to excise tax, on which excise tax has already been paid on the territory of the Russian Federation), the sum of the excise tax to be paid on the finished goods subject to excise tax is reduced by the sum of the excise tax paid on the raw material used for their production.

"The sum of the excise tax paid on goods (with the exception of types of mineral raw materials subject to excise tax) that are subsequently used as raw materials for production of goods that are exempted from taxation under this type of tax in accordance with point 4, Article 3 of the present federal law, and likewise on ethyl alcohol produced from all types of raw materials, with the exception of consumable alcohol that is subsequently used as raw material for production of goods not subject to excise tax, is not related to the production cost of these goods, but is credited toward future payments, or compensated at the expense of general tax revenues within 10 days' time from the day of receipt of accounting for the appropriate reporting period. In this case, the sum of excise tax on those goods whose value has in fact been related (written off) to production cost in the reporting period is subject to crediting (compensation).

"For goods subject to excise tax that are not sold on the outside and are used by the organization for production of goods that are not subject to excise tax, the crediting of sums of excise tax at the appropriate rates is performed at the time of transfer of these goods to production for the manufacture of goods that are not subject to excise tax. This is done by crediting the sums of excise taxes to the production cost of the products not subject to payment of excise tax.

"2. Organizations producing and selling ethyl alcohol made from all types of raw materials, consumable alcohol, wine alcohol, vodka, liquor-vodka goods, cognac, champagne (sparkling wine), natural wine and other alcoholic beverages, and likewise those producing these goods from customer-supplied raw materials, pay excise taxes to the budget on the third day after the day of concluding the sale, based on the actual turnover.

"Organizations mining types of mineral raw materials that are subject to excise tax, and likewise organizations producing and selling beer, automobile gasoline, and passenger cars, including those produced from customer-supplied raw materials, pay excise taxes to the budget based on the actual turnover, within the following times:

"On the 15th of the current month—for the preceding 10-day period;

"On the 25th of the current month—for the second 10-day period;

"On the 5th of the month following the reporting month—for all other days of the reporting month.

"All other taxpayers pay excise taxes to the budget on a monthly basis, based on the actual turnover in sale of goods for the elapsed calendar month (payers producing goods subject to excise tax that are used for production of goods not subject to excise tax—based on the actual production cost and sum of excise taxes at the established rates)—by the 20th of the month following the reporting month.

"3. On goods subject to mandatory marking with excise duty stamps of a specified type, taxpayers make advance payment in the amount specified by the Russian Federation Government. The sum of advance payment is credited at the time of final computation of the sum of excise tax, determined based on the taxable turnover.

"4. Taxpayers submit to the tax agencies at the place of their location a tax accounting (declaration) in accordance with the established form, prior to the 20th of the month following the reporting month.

"5. The date of completion of turnover is considered to be the day the funds for the goods subject to excise tax are received on account in the banks, and if accounting is performed in cash—the day the revenues are received in the cash register. In cases when the sale is defined by shipped goods, the date of conclusion of turnover is considered to be the day of their shipment and presentation of accounting documents to the buyers.

"In the case of payment in kind for labor using the goods subject to excise taxes produced by the workers, and in the case of the uncompensated transfer of such goods, the date of concluding turnover is the day of their transfer.

"6. Excise taxes are credited to the budgets of the appropriate levels in accordance with the procedure and on the conditions specified by the federal law on the federal budget for the appropriate fiscal year.

"7. The order of computation and payment of excise taxes on goods imported onto the territory of the Russian Federation is established by the present Federal law and by the customs legislation of the Russian Federation.

"The sum of excise tax subject to payment on goods subject to excise tax and originating and imported from the territory of states participating in the Commonwealth of Independent States is reduced by the sum of excise tax paid in the country of their origin.

"Article 6. Responsibility of taxpayers and control of tax and customs agencies

"1. Responsibility for the correct and timely payment of excise taxes is placed upon the taxpayers and their officials.

"2. For violation of the present federal law, taxpayers and their officials bear liability in accordance with the Russian Federation Law "On Principles of the Tax System in the Russian Federation," and in cases when the collection of excise taxes is included in the competency of the customs agencies of the Russian Federation—in accordance with the customs legislation of the Russian Federation.

"3. Control over adherence to the tax legislation of the Russian Federation, the correctness of computation and the complete and timely payment of excise taxes to the budget is performed by the tax and customs agencies in accordance with their competency, as determined by the federal laws.

"Article 7. Concluding principles

"The instructions on application of the present federal law are developed and published by the Russian Federation State Tax Service in cooperation with the Russian Federation Ministry of Finance. The instructions on application of statutes of the customs legislation of the Russian Federation regulating relations associated with the payment (collection) of excise taxes in regard to goods imported onto the territory of the Russian Federation are developed and published by the Russian Federation State Customs Committee in conjunction with the Russian Federation State Tax Service, and in cooperation with the Russian Federation Ministry of Finance.

"The Russian Federation Government shall review the question of granting enterprises of the liquor-vodka industry extensions or term payment schedules for payment of excise taxes entered into the income of the federal budget, prior to 1 April 1996, and shall recommend to the organs of state power of subjects of the Russian Federation that they grant analogous extensions or term payment schedules in regard to the funds coming into the budgets of subjects of the Russian Federation."

Article 2. The present federal law becomes effective as of 1 February 1996.

The President of the Russian Federation and the Government of the Russian Federation shall bring their legal statutes into correspondence with the present federal law.

[Signed] President of the Russian Federation B. Yeltsin

Moscow, the Kremlin
7 March 1996
No. 23-FZ

Rates of excise tax on goods subject to excise tax produced on the territory of the Russian Federation (in percent of value of goods at wholesale factory prices and with consideration of excise taxes)*

Ethyl alcohol produced from all types of raw materials, except for consumable	60
Ethyl alcohol produced from consumable raw materials	80
Ethyl alcohol supplied to medical and veterinary institutions, pharmacies and enterprises for production of medicinal substances and goods for medical and veterinary use, at the presentation of the Russian Federation Ministry of Public Health and the Medical Industry and the Russian Federation Ministry of Agriculture and Food, within the limits of general quotas for consumption of alcohol in cooperation with the Russian Federation Ministry of Economics	60
Alcohol for consumption	90
Vodka, wine alcohol, liquor-vodka goods over 28 proof	85
Liquor-vodka goods up to 28 proof, inclusive	80
Cognac	55
Champagne (sparkling wine)	45
Natural wine	20
Beer	15
Tobacco products (cigarettes, cigars, 1st class cigarettes)	20
Jewelry goods	30
Automobile gasoline	20
Passenger cars	5

* In percent of actual production cost, with consideration of excise tax—on goods subject to excise tax that are not sold on the outside and are used by the organization for production of products not subject to excise tax.

Rates of excise tax on goods subject to excise tax imported onto the territory of the Russian Federation

TN VED [Foreign Economic Activity Commodity List] Code	Name of goods	Rates of excise tax (in percent of customs valuation of goods or in ECU [European currency units] per unit of measure)
2203 00	Malt beer	0.3 ECU/liter
2204 (except for 2204 10 110, 2204 30)	Natural grape wines, including fortified	0.5 ECU/liter
2204 10	Sparkling wines (1)	1 ECU/liter
2205	Vermouth and other natural grape wines with addition of plant or aromatic extracts	1 ECU/liter
2206 00	Other fermented beverages (apple cider, pear cider (perru), honey beverage)	0.5 ECU/liter
2207 10 000	Nondenatured ethyl alcohol, with alcohol content no less than 80 percent by volume	400%, but no less than 4 ECU/liter
2207 20000	Ethyl alcohol and other alcohols, denatured, of any concentration	60%

TN VED [Foreign Economic Activity Commodity List] Code	**Name of goods**	**Rates of excise tax (in percent of customs valuation of goods or in ECU [European currency units] per unit of measure)**
2208 20 100, 2208 20 900	Hard alcoholic beverages obtained as a result of distillation of grape wine or pressed grapes	5 ECU/liter
2208 30	Whiskey	5 ECU/liter
2208 40	Rum and tafia	5 ECU/liter
2208 50	Gin and juniper liqueur	5 ECU/liter
2208 90 110, 2208 90 190	arrack [liquor from malted rice]	5 ECU/liter
2208 90 310, Iz 2208 90 390	Vodka	3.5 ECU/liter
2208 90 330, Iz 2208 90 390	Plum, pear, or cherry liquor, excluding liqueurs	3 ECU/liter
2208 90 510 - 2208 90 790	Other alcoholic beverages, liqueurs and miscellaneous alcoholic beverages	3 ECU/liter
2208 90 910, 2208 90 990	Nondenatured ethyl alcohol with alcohol content under 80% by volume	400%, but no less than 4 ECU/liter
2402 (except for 2402 90 000)	Cigars (including cigars with cut tips), cigarillos (thin cigars), tobacco cigarettes, cigarettes (1)	2 ECU/1,000 units
2710 00 330, 2710 00 350	Automobile gasoline	20%
7113	Jewelry goods and their parts made of precious metals or metals plated with precious metals	30%
7114	Goods fashioned from gold and silver or parts of these goods made of precious metals and metals plated with precious metals	30%
7116	Goods made of natural or cultured pearls, precious or semi-precious stones (natural, artificial, or reconstructed)	30%
Iz 8703 21 100 (2)	Passenger cars with internal combustion piston engines, spark ignition and crank-drive mechanisms, with operating engine capacity of no more than 1000 cubic cm, new	10%, but no less than 0.375 ECU/cubic cm engine capacity
Iz 8703 21 900 (2)	Passenger cars with internal combustion piston engines, spark ignition and crank-drive mechanism, with operating engine capacity of no more than 1000 cu. cm, used (3) .	10%, but no less than 0.1 ECU/cu. cm engine capacity
Iz 8703 22 190 (2)	Passenger cars with internal combustion piston engines, spark ignition and crank-drive mechanism, with operating engine capacity greater than 1000 cu. cm, but no more than 1500 cu. cm, new	10%, but no less than 0.425 ECU/cu. cm engine capacity
Iz 8703 22 900 (2)	Passenger cars with internal combustion piston engines, spark ignition and crank-drive mechanism, with operating engine capacity greater than 1000 cu. cm, but no more than 1500 cu. cm, used (2)	10%, but no less than 0.115 ECU/cu. cm engine capacity
Iz 8703 23 190 (2)	Passenger cars with internal combustion piston engines, spark ignition and crank-drive mechanism, with operating engine capacity greater than 1500 cu. cm, but no more than 1800 cu. cm, new	15%, but no less than 0.675 ECU/cu. cm engine capacity
Iz 8703 23 900 (2)	Passenger cars with internal combustion piston engines, spark ignition and crank-drive mechanism, with operating engine capacity greater than 1500 cu. cm., but no more than 1800 cu. cm, used (3)	15%, but no less than 0.2 ECU/cu. cm engine capacity

TN VED [Foreign Economic Activity Commodity List] Code	**Name of goods**	**Rates of excise tax (in percent of customs valuation of goods or in ECU [European currency units] per unit of measure)**
Iz 8703 23 190 (2)	Passenger cars with internal combustion piston engines, spark ignition and crank-drive mechanism, with operating engine capacity greater than 1800 cu. cm, but no more than 3000 cu. cm, new	20%, but no less than 1.3 ECU/ cu. cm engine capacity
Iz 8703 23 900 (2)	Passenger cars with internal combustion piston engines, spark ignition and crank-drive mechanism, with operating engine capacity greater than 1800 cu. cm, but no more than 3000 cu. cm, used (3)	20%, but no less than 0.35 ECU/cu. cm engine capacity
Iz 8703 24 100 (2)	Passenger cars with internal combustion piston engine, spark ignition and crank-drive mechanism, with operating engine capacity greater than 3000 cu. cm, new	25%, but no less than 2.0 ECU/ cu. cm engine capacity
Iz 8703 24 900 (2)	Passenger cars with internal combustion piston engines, spark ignition and crank-drive mechanism, with operating engine capacity greater than 3000 cu. cm, used (3)	25%, but no less than 0.7 ECU/ cu. cm engine capacity
Iz 8703 31 100 (2)	Passenger cars with internal combustion engines, compression ignition (diesel or semi-diesel), and with operating engine capacity not exceeding 1500 cu. cm, new	10%, but no less than 0.425 ECU/ cu. cm engine capacity
Iz 8703 31 900 (2)	Passenger cars with internal combustion engine, compression ignition (diesel or semi-diesel), and with operating engine capacity not exceeding 1500 cu. cm, used (3)	10%, but no less than 0.115 ECU/cu. cm engine capacity
Iz 8703 32 190 (2)	Passenger cars with internal combustion engine, compression ignition (diesel or semi-diesel), and with operating engine capacity greater than 1500 cu. cm., but no more than 1800 cu. cm, new	15%, but no less than 0.675 ECU/cu. cm engine capacity
Iz 8703 32 900 (2)	Passenger cars with internal combustion engine, compression ignition (diesel or semi-diesel), and with operating engine capacity greater than 1500 cu. cm, but no more than 1800 cu. cm, used (3)	15%, but no less than 0.2 ECU/ cu. cm engine capacity
Iz 8703 32 190 (2)	Passenger cars with internal combustion engine, compression ignition (diesel or semi-diesel) and with operating engine capacity greater than 1800 cu. cm., but no more than 2500 cu. cm, new	20%, but no less than 1.3 ECU/ cu. cm engine capacity
Iz 8703 32 900 (2)	Passenger cars with internal combustion engines, compression ignition (diesel or semi-diesel), and with operating engine capacity greater than 1800 cu. cm, but no more than 2500 cu. cm, used	20%, but no less than 0.35 ECU/cu. cm engine capacity
Iz 8703 33 190 (2)	Passenger cars with internal combustion engine, compression ignition (diesel or semi-diesel) and with operating engine capacity greater than 2500 cu. cm, new	25%, but no less than 2.0 ECU/ cu. cm engine capacity
Iz 8703 33 900 (2)	Passenger cars with internal combustion engines, compression ignition (diesel or semi-diesel) and with operating engine capacity greater than 2500 cu. cm, used.	25%, but no less than 0.7 ECU/ cu. cm engine capacity.

(1) Here and henceforth: Nomenclature of goods is defined by the TN VED code, as well as by the name of the goods.

(2) Here and henceforth: Automobiles specially equipped for medical purposes are not subject to excise tax.

(3) Here and henceforth: Automobiles are considered to be used if three years or more have passed since the day of their manufacture, regardless of their mileage.

*Russia: Moscow Banking Union Head on Economic Reform Future

964E0912A Moscow EKONOMIKA I ZHIZN in Russian Mar 96 No 11, p 4

[Article by L. Nazarova, the Banking Information Agency, highlighting speech by V. Vinogradov, chairman of the Moscow Banking Union: "The Banking Community's Concerns Are Not Without Foundation"]

[FBIS Translated Text] **The tallying of last year's results both at the state and government level and also in all the structures of the economy's units has already taken place. Nevertheless, on the threshold of the approaching presidential elections which are introducing a known portion of uncertainty and expectations, the business circles' representatives are turning again and again to the analysis of the reforms carried out and are coming forward with suggestions with respect to their further development. Also no exception was the speech by Moscow Banking Union (MBS) Chairman V. Vingoradov at its general meeting which took place on the threshold of the Sixth Congress of the Association of Russian Banks. We have focused attention in this article on the most urgent matters which resounded in the address to the banking community.**

The banking sector experienced an active period of development in the beginning of the nineties and now the number of registered credit organizations has exceeded 2,500, around 1,000 of which are concentrated in Moscow.

Given the intensive revocation of licenses last year, by 1 January 1996, 315 banks had been deprived of their licenses by the Bank of Russia for committed violations of banking legislation, which amounts to 12 percent of the total number of banks registered in Russia. It is likely that the bankruptcy process will not end this year.

In 1995, the total amount of credits which the commercial banks granted to Russia's economy exceeded 100 trillion rubles [R]. The banks are becoming the main source both of credits for working capital and of investments in Russia. Being observed is the commercial banks' active entry into the foreign credit and financial markets, where they are trying to operate based on international quality standards and to achieve the main goal — to obtain good results not only in the servicing of Russian clients, but also of foreign ones, to learn to attract money abroad and to invest it in the Russian economy.

FROM MOSCOW TO THE OUTERMOST DISTRICTS

Unfortunately, it must be stated that Russia's banking sector today, including in Moscow as well, is in a complicated situation. The banking crisis is being accompanied by the fact that many banks have stopped carrying out certain transactions, which is resulting in some of them having their licenses revoked. The problem of the nonpayments worsened sharply, especially in last year's second half, which resulted in the ruination of a number of banks and a shortfall in the money supply in circulation. There was a sharp decrease in the volumes of credit lines and a substantial deterioration in the terms for granting them to Russian banks on the part of the Western correspondent banks. The international banking institutions' position toward the Russian banks became more cautious with respect to the granting of possible credit lines and loans, as well as investment credits to Russian banks.

The crisis phenomena spread as well to the regions. Thus, for example, specific losses were incurred by AvtoVAZbank [Volga Motor Vehicle Plants Production Association Bank], Srednevolzhskiy [Middle Volga] Bank and Mezhkombank [commercial bank]. The Sibirskiy torgovyy bank [Siberian Trade Bank] stopped meeting its obligations and it has 400 correspondent banks. In addition, it actively operated on the basis of NOSTRO accounts. The loss of its liquidity led correspondingly to losses by its correspondent banks in LORO accounts.

The Russian banking system's situation is being aggravated even more by such phenomena typical for it as the shortage of in-house capital and the lack of sufficient reserves for the increased credit risks in Russia's commercial banks. By Western standards, the minimum ratio between capital and the amounts of assets is considered to be 8 percent. In the Russian banking sector, this indicator, according to the official statistics, is at the level of 4.3 percent and this has probably been overstated by factors of 1.5-2. As for the shortage of reserves, according to the Moscow Banking Union's calculations, it amounts to something on the order of R16 trillion, which is equivalent to $3.5 billion.

A LOT DEPENDS ON THE BANKS THEMSELVES

It must be acknowledged that the crisis situation is also, to a large extent, the fault of the commercial banks themselves which had a scornful attitude toward the requirements of the banking business and, in particular, toward the necessity of increasing their own capital and of establishing sufficient reserves for credit risks. Many are continuing to pursue an unjustifiably risky credit policy which is frequently based on subjective factors. Some banks redeposit a large amount of the credit resources in their own subsidiary organizations, while there are strict requirements for this parameter in international credit practice. In individual banks, the credit portfolio amounts to 50-60 percent or more of the amount of assets, although, in civilized countries with a stable economy, it should not exceed 40-45 percent.

Table 1. Number of Commercial Banks and Branches in Russia's Regions*

Name of Region	Number of Banks in Region	Structure as a Percentage	Total Number of Branches in Region	Structure as a Percentage
Northern Region	59	2.58	258	4.49
Northwestern Region	73	3.20	261	4.54
Including St. Petersburg	51	2.23	116	2.02
Central Region	1,040	45.51	1.218	21.21
Including Moscow	886	38.77	476	8.29
Moscow Oblast	39	1.71	222	3.86
Volga-Vyatka Region	75	3.28	280	4.87
Central Chernozem Region	29	1.27	281	4.89
Volga Basin Region	169	7.39	639	11.12
North Caucasus Region	287	12.56	711	12.38
Ural Region	158	6.92	704	12.26
Western Siberian Region	175	7.66	567	9.87
Eastern Siberian Region	72	3.15	361	6.29
Far Eastern Region	119	5.21	410	7.14
Kaliningrad Oblast	29	1.27	54	0.94
Total for Russia	2,285	100	5,744	100

* All calculations were made on the basis of RF Central Bank data based on the status report for 1 February 1996

Table 2. Grouping of Commercial Banks by Declared Charter Funds*

Amount	As a Percentage of the Whole
Up to R100 Million	1.8
From R100 to R500 Million	26.1
From R500 Million to R1 Billion	11.7
From R1 to R5 Billion	35.7
From R5 to R20 Billion	20.1
R20 Billion or More	4.6

* All calculations were made on the basis of RF Central Bank data based on the status report for 1 February 1996

Table 3. Credit Organizations Which Have Received a Specific Type of License as a Percentage Against the Total Number of Operating Credit Organizations*

License Type	Percentage
Currency License	34.4
General License	11.9
Permit To Conduct Transactions Involving Precious Metals	4.6

* All calculations were made on the basis of RF Central Bank data based on the status report for 1 February 1996

The harsh monetaristic policy will continue. This is making it necessary to cut the banks' operating and non-operating expenditures and, perhaps, even to reduce their entire structural units, for which it is also necessary to engage in the engineering of the business processes and to assist actively in reducing material expenditures. Such a set of measures assumes a great deal of work by the banks' management to introduce a financial control program and to reach satisfactory indicators of the liquidity of the banking assets.

The Ministry of Finance is currently trying to lower the interest rates for GKOs [State Short-Term Bond] and to relax somewhat the currency corridor. The bankers are hoping that the funds will go into the actual economy through the commercial banks.

The Moscow Banking Union has repeatedly proposed to the Bank of Russia on behalf of the banking community that it introduce an effective system of bill circulation in order to overcome the payments crisis. The Central Bank has introduced temporary basic statutes on the discounting of bills accepted in Russia's banks.

The discounting of commodity bills could also be one of the paths for getting out of the payments crisis. Despite the reduction in inflation at the end of 1995, the rate planned for it of 1-2 percent per month has not been achieved. This is possible only with the implementation of a broad set of measures for the development of production and with an increase in the commodity supply which is the basic material for ensuring the ruble's stability.

Lately, the matter of a review of the results of privatization is being raised frequently. This will hardly help the matter, but it is now necessary to change the attitude toward it being carried out. In particular, foreign companies ought to be given the opportunity to acquire shares of Russian enterprises over the course of 5-10 years.

THERE ARE NO REASONS FOR CONFRONTATION

The cooperation of the Association of Russian Banks and the Moscow Banking Union with the state structures is growing and there are no grounds of any kind for talking about any kind of confrontation between them. The Central Bank has held an active dialog with the banking business circles on many of its own programs and documents. Prepared in the association were several documents and proposals on protecting the banks' interests and positions. They pertained to tax legislation and matters of insurance for citizens' bank deposits and special attention was paid to the matter of setting aside obligatory reserves. But comments from the banks were only partially taken into consideration. From the ARB's [Association of Russian Banks] viewpoint, the work on the revision of the statute on lombard credit should be accelerated. If the lombard credit rate is excessively high, many banks will turn to it only as a last resort.

In evaluating the new procedure for regulating credit organizations' activities, which is reflected in Instruction No 1, the bankers are noting both its positive and negative aspects. The gradual transition to the new standards, which is stipulated by the instruction, will contribute to the strengthening and stability of the banking system. The fulfillment of the instruction over a brief period will lead to the Russian commercial banks beginning to operate according to international standards. Nevertheless, the quite harsh capitalization requirements are beyond the capability of the small and medium-sized banks which service agricultural cooperatives and trade organizations, especially on Russia's periphery, and, as a result of the nonfulfillment of the instruction's standards, they will gradually join the ranks of the second-class banks with a limited banking license.

In connection with the instruction's provision that the maximum amount of risk for a single creditor (depositor) has been closely associated with the bank's own funds, the question arises as to whether or not this is a repetition of the situation when the Sberbank [Savings Bank] almost drew off to itself the bulk of the population's deposits. It is believed in the Moscow

Banking Union that it would be advisable to introduce a system of obligatory deposit insurance, after the establishment of some kind of structure like a deposit insurance corporation similar to what exists in the developed countries.

In implementing oversight over banking activities, the Central Bank of the Russian Federation has the most complete information which makes it possible to distinguish clearly the well and reliably operating banks and those which are in a borderline condition and which may lose money.

In need of this information are both the banks' clients and the partner banks. Solving the problem of furnishing this type of information is extremely complicated for the Central Bank, inasmuch as it entails the possibility of aggravating the situation, provoking a panic among the problem banks' clients and partners. However, until access to information about the credit institutions' liquidity is ensured, it is impossible to talk about the system functioning normally.

The past year was not a simple period in the operation of the commercial banks, but the noted trend toward stabilization in the economy should have a positive effect as well on ensuring the stable operation of the country's banking system.

*Russia: Kulikov on Economic Crime

964E0779A Moscow EKSPERT in Russian 26 Feb 96 No 8, pp 12-14

[Report by Oleg Utitsin and Olga Shlyapnikova on press conference given by RF Minister of Internal Affairs Anatoliy Kulikov on 16 February: "Anatoliy Kulikov: Terrorism Is a State Matter"]

[FBIS Translated Text] Journalists could immediately and irrevocably believe that the situation with public security in the country was becoming better, at least inside the RF Ministry of Internal Affairs. The entrance to the building of the Ministry of Internal Affairs resembled an airport (everyone had to go through metal detector doors and hand over their keys and other metal items to persons on duty so that they would not beep), and inside the foyer the second ring of guards watched over the press. None of our journalist colleagues could recall such a meeting. Evidently, the settlement of the Chechen crisis deeply worries the ministry's leadership.

However, the Chechen problem was of secondary interest to most of the press representatives present at the press conference. Many had come for explanations of the "economic program" by Doctor of Economic Sciences Anatoliy Kulikov, which he proposed to Russia's Government (see EKSPERT No. 7).

[begin box] According to data of the newspaper ARGUMENTY I FAKTY, General Anatoliy Kulikov, RF minister of internal affairs, defended his doctoral dissertation at the Central Scientific Research Institute of Economics and Conversion of Military Production in October 1994. The dissertation illuminates problems of management in the defense complex and is of a secret nature. [end box]

We would like to mention that for the financial support of the Army and the Ministry of Internal Affairs, the minister recommended partial nationalization of the capital of a number of commercial state structures (Gazprom, LUKoil, and so forth) and the toughening of tax policy with respect to "new Russians" (if they are unable to declare the income with which dacha palaces were bought and built even in Moscow's suburban areas, the real estate should be confiscated in favor of the state).

Kulikov renounced such a "Sharikov" approach at the very beginning of the press conference. To the question as to how the press got information for official use, Kulikov put the blame on the president's information service, stating that the leak occurred against his will and, therefore, the basic positions of his proposals were misinterpreted.

The minister himself interprets these positions as follows: "What does it mean to nationalize Gazprom, as some newspapers reported? It is in the government's hands anyway, what is there to nationalize? People understood me primitively, saying that I propose that everything be taken away and divided. It is a question of control. If, for example, a bank can make money and 50 percent of its funds are state funds, do we not have the right to establish control over them? I asked one high-ranking government member (I will not mention his name, but he is connected with large commercial structures): 'Where does 51 percent of the profit go?' He could not answer. Therefore, there must be control."

Next the discussion concerned Chechnya. Mr. Kulikov said that alternative solutions of the Chechen problem will be approved in the very near future. "Our point of view—to act in a combined manner... in conjunction with methods of liquidating terrorist groups by force. A replay of Kizlyar? It is impossible to say that this will not happen."

[EKSPERT] In connection with the presidential elections in Russia, some mass media forecast an outbreak of terrorist acts in the country. Is the Ministry of Internal Affairs ready for this?

[Kulikov] This problem is already beyond the scope of one department. This is a state matter. What does the Law on Combating Terrorism say? Article 213, part 3 (1994) of the Criminal Code provides for criminal responsibility with regard to state and public figures, and Article 66, with regard to a certain category of people. Depending on the jurisdiction of the terrorist act, the case is referred to those who initiate it; according to Article 66, for example, to the Federal Security Service. However, we, at the Ministry of Internal Affairs, as stated in the law, only participate in the fight against terrorism. Now we are also studying the methods of this fight on the basis of international experience. For example, a group of our specialists went to the Philippines. We have shortcomings and we are making changes in our work. The director of Israel's police, for example, told me that they act against terrorists decisively, despite the number of victims, otherwise such a country as Israel would be destroyed rapidly. They have services for tracking, finding, and actually destroying terrorists (obviously, at the stage of preparation of terrorist acts—EKSPERT). In Russia a presidential edict on combating terrorist activity is virtually ready. Representatives of the Ministry of Justice, the Ministry of Internal Affairs, and the Federal Security Service worked on it.

Then the minister turned to the topic of combating organized crime: "Our personnel's takeoff to Chechnya had a negative effect on the increase in crime, especially organized crime. It is trying to strengthen its positions in the economic sphere—all the structures of the country's economy have been subjected to an onslaught.

"We honestly tell the government everything. The situation cannot be called anything but critical. The president received this information with deep concern and is taking active steps... The number of crimes will grow. The question is whether we are able to structurally change them and in what direction."

Then General Kulikov reported that last year his ministry's workers managed "to restrain the negative trend toward a rise in organized crime by increasing the numerical composition of the Ministry of Internal Affairs and stirring up its activity." The minister stressed that, at the same time, violations of legality by the police were minimal.

"I am not talking here about the problems of the Ministry of Internal Affairs, a minister will not cry about this on journalists' shoulders. I raise such problems where I consider it necessary, where they can be solved," the minister said. "Yes, our workers in localities at times express sharp protests against their working conditions. Sometimes they even go on hunger strike. However, even during these difficult times for us, no one has left his place of work, and even under such conditions people have accomplished great feats."

The "Mayak" radio station was interested in the minister's attitude toward the police, who during their free time from work protect commercial enterprises with official arms.

[Kulikov] I have nothing except words of gratitude and a warm attitude toward these people...

A surprised reaction in the hall, and a clarification: "Ploice officers with official arms protect businessmen!"

[Kulikov] Oh, this is what you are talking about... This happens at times owing to despair and hopelessness. I do not agree that during their free time police officers should protect a commercial booth... or a bank, because corruption and merging with crime come from this. In one way or another he (the police —EKSPERT) will be subjected to pressure on the part of businessmen. Then they will force him to collect debts and so forth.

Sensational cases were discussed modestly. According to Kulikov, the procuracy itself is conducting the case of former procurator general Ilyushenko. People from the Ministry of Internal Affairs are only carrying out operational work on a number of incidents. That is why and, moreover, in the interest of the investigation, he will say nothing. With regard to Mr. Bychkov from the RF State Committee on Precious Metals and Precious Stones, he and others, according to Kulikov, did damage amounting to $171.6 million to the homeland. "We ensure operational accompaniment for the case."

[EKSPERT] After you occupied the post of minister, Russia's many commercial structures regarded with great approval the agreement between the Ministry of Internal Affairs and the Association of Russian Banks on mutual cooperation in the fight against economic crime. "The police stopped looking at us as though we were bandits," they said. Nevertheless, there is information that data which constitute a commercial secret and come to the Ministry of Internal Affairs from the Association of Russian Banks according to the agreement subsequently become available to competing commercial organizations which are not members of the Association of Russian Banks. Furthermore, "rank-and-file" police officers consider the transfer of current information to banks almost a criminal act. How do you comment on this?

[begin box] The agreement between the Association of Russian Banks and the Ministry of Internal Affairs provides, in particular, for mutual exchange of information between these structures on unreliable, both Russian and foreign, companies. At times documents constituting a commercial secret of banks—members of the Association of Russian Banks—represent such information. [end box]

[Kulikov] We have an agreement with the Association of Russian Banks. According to my data, for now both parties are satisfied with the joint activity...

I did not receive the data on the information leak from the Ministry of Internal Affairs or the Association of Russian Banks. I can reassure you about the complaints from the police. Specialists work at our ministry and we carefully select our current information for transmission to the Association of Russian Banks, we do not dump one thing after another. Here it should be taken into consideration that the protection of national interests, not the protection of some bankers, is our aim. In principle, however, I repeat, there is already success in cooperation with the Association of Russian Banks and guard structures of association members, which, of course, have licenses for their activity.

Table A. Structure of Crime in Russia (1995, in percent)

Crime	Percent
Larceny	49.6
Appropriation of entrusted property	1.3
Swindling	2.4
Crimes of office	0.5
Robbery	1.4
Theft	5.1
Consumer fraud	1.1
Crimes against the person	5.2
Hooliganism	6.9
Other crimes	26.5

Table B. Structure of Crimes of Economic Trend (1995, in percent)

Crime	Percent
Illegal entrepreneurship in the sphere of trade	3.5
Consumer fraud	4.9
Appropriation of entrusted property (in large amounts—3.7 percent)	25.4
Illegal transactions with currency values (including bribery, 3.5 percent)	9.8
Counterfeiting	7.1
Crimes of office	10.2
Other crimes	39.3

When this issue of EKSPERT was being prepared, a copy of a fax addressed to Anatoliy Kulikov and signed by directors of the Association of Russian Banks, the Agro-Industrial Bank, the Foreign Trade Bank, the Vozrozhdeniye Bank, the Industrial Construction Bank, Tokobank, the Moscow Business Bank, and the RF Savings Bank turned out to be at the disposal of the editorial department.

In particular, the document states: "...Recent events have shown that the credit and financial system and, primarily, banks need to have their security strengthened... Nevertheless, bodies of internal affairs purposefully engage in tactics of restriction and curtailment of their activity. In particular.... on 12 April 1995 the Ministry of Internal Affairs sent to localities directive No. 1/1767, which prohibits, until changes are made in and additions are written to the Law on Private Detective and Guard Activity in the Russian Federation, the registration of security services in affiliates, as well as the purchase of arms by such subdivisions, which have already been registered and operate...

"We believe, as before, that the establishment and functioning of security services in affiliates does not contradict existing legislation.

"Furthermore, negative consequences, which are inevitable as a result of the abolition of security services of affiliates under the pressure of the RF Ministry of Internal Affairs, must be taken into consideration. In particular,

"—depriving affiliates of the possibility of carrying out detective activity permitted by the legislator concerning protection against swindling and other mercenary encroachments on monetary resources, which will involve a further increase in criminal manifestations in the financial and credit sphere;

"—weakening of the already existing security system of large banking institutions, which, ultimately, will be reflected in their activity and reliability as a whole;

"—considerable increase in the load on local bodies of internal affairs, which, moreover, have a big shortage of personnel.

"In connection with the above-stated we ask that you... revoke the indicated directive..."

Table 1. Structure and Dynamics of Economic Crime in Russia* in 1991-1995

	1991	1992	1993	1994	1995
Total registered crimes (thousands.)	141.8	150.0	165.0*	181.0	211.8
Theft through appropriation	40.4	39.9	37.3	34.9	35.5
Theft through swindling	-	0.6	5.8	14.5	24.4
Bribery	2.5	3.3	4.5	4.9	4.9
Illegal transactions with currency values	1.0	2.2	5.9	9.4	13.4
Counterfeiting	0.1	0.3	7.1	14.9	9.9
Smuggling, violation of customs legislation	-	-	0.1	1.4	2.7

*According to data of the Ministry of Internal Affairs

[EKSPERT] After Mr. Petrov became head of the Main Administration for Combating Organized Crime of the RF Ministry of Internal Affairs, about 40 workers of that administration submitted their resignation and departments which in practice fought against organized crime allegedly were dissolved. How is this conflict developing?

[Kulikov] When I occupied the post of minister and began to get acquainted with matters, I realized that something would have to be changed. I consider Petrov a good specialist, I trust him. Taking into consideration that we began the fight against corruption with our workers, some of them were dissatisfied and, until the cases against them were transferred to judicial authorities, they had to be dismissed.

[EKSPERT] However, it is a matter of voluntary mass resignations...

Here Mr. Petrov took the floor: "Our administration's task remains as before—combating organized crime. No one has left us just like that, we carefully examine all applications. No serious structural changes in management have occurred, none of the good specialists has left."

A question from the hall: What about Frolov?

[Petrov] Who is he? I do not know him...

[begin box] Mr. Frolov headed the 12th department of the Main Administration for Combating Organized Crime (known as a special department for combating organized crime). For the sake of fairness it should be noted that he resigned before Petrov's arrival, more correctly, he was promoted to a job in the administration of Voronezh Oblast. [end box]

Table 2. Some Results of Work of the Ministry of Internal Affairs in 1995*

	1994	1995
Total exposed crimes (thousands)	1,578	1,745.2
Percent of exposure	59.6	64.5
Criminal cases instituted against organized criminal groups	10,108	8,858
Exposed crimes committed by organized criminal groups		23,800
Export of oil and oil products (tonnes) prevented		71,283
of metal (tonnes)		33,366
including nonferrous (tonnes)		25,814
of timber (cubic meters)		18,113

	1994	1995
of food (tonnes)		46,897
Economic crimes exposed (thousands)	107.9	139.8
including serious	36.0	53.3

*According to the data of the Ministry of Internal Affairs

To the question of EKSPERT as to what new economic crimes the Ministry of Internal Affairs forecasts during the current year, the ministry leadership answered in an approximately the following manner: A crime is called a crime only if there is an appropriate article in the Criminal Code. If there is a new criminal code, there will also be new economic crimes.

Table 3. Distribution of Crimes Exposed in the Sphere of Russian Economy Throughout Socioeconomic Regions in 1995*

		Mandatory Investigation	
	Total (thousands)	total (thousands)	including serious
North	6.5	4.7	1.7
North-West	13.4	8.1	3.3
Central	42.3	27.9	11.67
Volgo-Vyatka	9.3	6.9	2.7
Central Chernozem	10.7	7.8	3.1
Volga	23.7	13.2	5.4
North Caucasus	20.9	13.5	5.4
Ural	22.6	15.2	6.7
West Siberia	19.4	13.7	4.7
East Siberia	11.4	7.7	3.0
Far East	12.6	8.1	2.4

*According to the data of the Ministry of Internal Affairs

*Russia: Commission Views Problems of Payment Arrears

964E0624A Moscow EKONOMIKA I ZHIZN in Russian Feb 96 No 5, p 1

[Article by Mstislav Afanasyev, first deputy director of the Work Center for Economic Reforms, responsible secretary of the RF Government Operational Commission To Refine the System of Payments and Account Settlements, and candidate of economic sciences: "Out of the Debt Trap: Are Arrears to the Budget Declining?"]

[FBIS Translated Text] **The author of the article is the first deputy director of the Work Center for Economic Reforms (RTsER) under the RF Government and responsible secretary of the RF Government Operational Commission To Refine the System of Payments and Account Settlements. He graduated from the economics department and completed graduate studies at Moscow State University and is a candidate of economic sciences. He studied at the University of Paris and received a master's degree in economic sciences.**

The problem of mutual nonpayments continues to be one of the most acute this year, too. Total overdue indebtedness of enterprises and organizations comes to 244.3 trillion rubles [R].

While 1994 was the last year of relative growth in nonpayments among enterprises, we are now living in a period of nonpayments to the federal budget. The proportion of overdue indebtedness in total indebtedness serves as clear evidence that at present enterprises do not consider the state a serious and demanding creditor. Enterprises of industry settle with commercial banks first. Overdue indebtedness to them is only 12 percent.

Paying wages to labor collectives has been second on the list of priorities for the last two years—about 40 percent. Accounts with suppliers remained the third priority for a long time. Here overdue indebtedness is about 50 percent. In late 1995 the situation changed somewhat and suppliers became more "respected" as creditors, moving to second place right after commercial banks.

Enterprises try to pay taxes to the state last. Overdue indebtedness here has already reached 65 percent. This undoubtedly points to the fairly low level of seriousness of the state's claims on "its" share of enterprise debts.

Last summer the situation involving arrears to the budget began to worsen. At that time A. Chubays charged the Russian Federation Government Operational Commission To Refine the System of Payments and Account Settlements with the task of starting individual work with enterprises that were the major nonpayers to all levels of budgets. The assumption was expressed that a large part of the arrears is formed by a limited group of enterprises.

The Operational Commission instructed the RF State Tax Service to submit lists of these enterprises. The working group under the direction of P. Karpov studied this list and confirmed that a limited group of 65 enterprises accounts for the bulk of the nonpayments to the federal budget (44 percent of all overdue indebtedness of industry). Of them, 42 are part of the fuel-energy complex, 12 are railroads, six are automotive and machine building enterprises, and five are metallurgical enterprises. The total volume of indebtedness of the 65 enterprises indicated on the list came to R13.2 trillion.

Conferences were held at 33 enterprises and the result was 15 protocols. In accordance with them, the managers assumed the obligations to develop payment schedules and carry out measures to reduce indebtedness. It became clear that barter transaction abuses, large volumes of resources in commodity form exported abroad for long periods of time, and extension of credit in commodity resources to selected commercial structures were the main causes of nonpayments to the budget and the RF Pension Fund, as well as delays in paying wages. In certain cases the enterprises' capital was withdrawn from circulation and directed to investments.

Following the results of an assessment of the real potential of the enterprises, they were charged with the task of reducing indebtedness to the federal budget and the RF Pension Fund. According to preliminary data, this allowed a large part of the debt to be paid back.

The joint-stock companies Novolipetsk Metallurgical Combine, Severstal [Northern Steel], and Moscow Oil Refinery paid off their debts in full for a total of more than R500 billion. Enterprises that are part of the AO [joint-stock company] LUKoil group paid off R1 trillion in debt without being brought before the interdepartmental commission. More than R2 trillion in debt was paid off by subsidiary enterprises of the RAO [Russian joint-stock company] Gazprom [Gas Industry].

The AO Nizhnevartovskneftegaz [Nizhnevartovsk Oil and Gas] paid off exactly half of its debt for a total of R531.2 billion. Subsidiary enterprises of the AO Sidanko reduced debts by R843.9 billion, the AO Orenburgneft [Orenburg Oil]—by R181.9 billion, the AO GAZ [Gas]—by R173 billion, the AO Magnitogorsk Metallurgical Combine—by R58 billion, the Leningrad AES [nuclear power plant]—by R26 billion, and the Kursk AES—by R41 billion.

As a result, the total volume of indebtedness to the federal budget and the Pension Fund of the 65 enterprises indicated in the list had at the end of 1995 been reduced by R7.3 trillion, or more than 55 percent. In reality by 1 January 1996 the federal budget had received almost R4 trillion in arrears payments. The rest of the payments are supposed to come in the first quarter.

Cases have been noted where the low level of financial management of enterprises accompanied by large diversions of monetary means led to especially large bad debts to the federal budget and the Pension Fund.

Thus, the AO Yuganskneftegaz [Yugansk Oil and Gas] has a total of R5.5 trillion in debts to all levels of the fiscal system and losses of R3.1 trillion. The AO Kondpetroleum has large losses totaling R850 billion.

Hard work to collect the arrears continues with enterprises included on the list of major nonpayers to the federal budget and the Pension Fund.

Nonpayments in Russia's Economy

Period	Arrears to the Federal Budget			Overdue Indebtedness on Labor Payment			
	Total, trillions of rubles	Increase as Compared to Previous Month, in percentages	For Reference: Inflation	Total, trillions of rubles	Increase as Compared to Previous Month, in percentages	Percentage of Monthly FOT [Labor Payment Fund] of Debtor Enterprises*	Number of Debtor Enterprises
1 December 1994	9.70	13.7	15.0	4.75	11.0	146.0	34,180
1 January 1995	9.27	36.3	16.4	4.20	-11.5	143.0	30,970
1 February 1995	11.32	22.1	17.8	5.53	31.7	114.9	31,850
1 March 1995	12.34	9.0	11.0	5.80	4.9	135.6	35,340
1 April 1995	12.88	4.4	8.9	5.69	-1.9	140.3	35,480
1 May 1995	16.33	26.7	8.5	5.51	-3.2	117.8	35,420
1 June 1995	19.44	19.1	7.9	6.04	9.6	120.2	35,120
1 July 1995	20.30	4.4	6.7	6.44	6.7	120.9	35,330
1 August 1995	23.49	15.7	5.4	7.16	11.1	120.9	35,210
1 September 1995	28.43	21.0	4.6	8.41	17.5	119.7	36,250
1 October 1995	28.37	-0.2	4.5	10.29	22.3	121.0	38,450
1 November 1995	30.92	9.0	4.7	11.57	12.4	124.3	39,820
1 December 1995	33.81	9.3	4.5	13.57	17.3	137.0	41,590
1 January 1996	30.02	-11.2	3.2	13.40	-1.4	141.0	39,900

*For enterprises that have debts.

The calculations were made by the RTsER under the RF Government on the basis of data from the RF State Statistics Committee and the RF State Tax Service.

*Russia: 1992-1995 Export Performance

964E0798A Moscow EKONOMIKA I ZHIZN in Russian Mar 96 No 10, p 42

[Article by A. Spartak, deputy director of All-Russia Scientific-Research and Design Institute: "The 'Plague' of Russian Export"]

[FBIS Translated Text] **The alarming tonality of the title of this article is caused by the appearance of clear indications of the degeneration of Russian export. The unprecedented growth of the relative share of products of industries that are unfavorable in an ecological respect is clearly apparent. In other words, Russia is on an ever larger scale supplying for export the primary conditions of human life. Therefore, the real threats to the future of Russia as a subject of the world economy stem specifically from this fact, and not from the traditional, and within certain limits, acceptable raw material specialization of the country.**

Which Is Better: Raw Materials or Semi-Finished Products?

A unique cliche in the analysis of the structure of Russian export has become the dominance of fuel-raw material goods within its complement. However, the relative share of pure raw materials in the country's export has not been increasing for a long time, but, on the contrary, has been steadily declining: from 50.4 to 42.4 percent (here and henceforth, data on the far abroad are presented for 1992 as compared with 1995, see table for more details). The relative share of oil and natural gas—two key positions of Russian raw material export—has declined from 37.8 to 31.3 percent.

Upon superficial examination, the above-noted tendency appears as an ennoblement of the structure of export by means of an increase in its relative share of products of the processing sectors. But what is concealed under this attractive and reassuring term? Over 80 percent of these are semi-finished products, and only 15-20 percent are finished goods. Moreover, the relative share of the latter has declined by almost two times, including for the group of machines and equipment for civilian application—from 9 to 4.6 percent. Thus, there is "changeover to semi-finished products" taking place in export, and it bears rather a reactionary than a progressive character in regard to the export of raw materials. After all, the latter leaves for the country a comparatively higher degree of freedom in choosing its international specialization (it is impossible to impose upon a country the export of raw materials which it does not have, but it is possible to incline it toward manufacture of semi-finished products, tying it to one's own technological chains), and also the possibility of implementing an effective geoeconomic policy (possession of industrial reserves of raw materials is unique or extremely rare, while production of semi-finished products is accessible to many). Moreover, the export of raw materials is more loyal to the demands of the domestic economy, since the exported surpluses can always be effectively involved in the economic turnover in the period of revitalization of business activity in the country.

However, not all semi-finished products are the same. Taking into consideration our strong resource base, it would be reasonable to expect an increase in the relative share of, say, petroleum products and lumber materials in export, where the main factor of competitiveness is the access to the appropriate raw material. But that is not happening. It is specifically these two goods that are gradually giving up their positions in the country's export. Their relative share has fallen from 11.1 to 6.6 percent. Unfortunately, unlike most foreign countries, Russia has never been able to develop its varied and at certain times even profitable raw material specialization in the direction of increasing the depth and quality of processing of primary resources.

The essence of current structural changes in export consists of strengthening the positions of a number of basic and certain other sectors of the processing industry which are distinguished, as a rule, by low technological development and unfavorable effect on the environment. Among these are ferrous and nonferrous metallurgy and the chemical and cellulose-paper industry. Their combined share in Russian export has increased from 18.3 to over 30 percent. Of this, the cost volumes of export have increased by 2.5 times: from $7.7 billion to $19.4 billion. The latter indicator is already fully comparable with the income from the export of oil and gas, which last year comprised around $20.2 billion.

What has determined the export boom in these sectors? The cost of raw materials on the domestic market already practically does not differ from the world cost, and the fixed capital is badly worn out.

Growing Threat to Ecology

As we see, an important, if not decisive, component of the competitive advantages of the above-listed sectors on foreign markets is the increased ecological intensity. In fact, we are today exporting the basic conditions of human viability. Perhaps this is an illness associated with growth, but the facts speak of its exacerbation, and perhaps even of transition to a chronic form. Moreover, this illness is difficult to overcome, since in this case the classical theorum of Hacksher-Olin is in full operation: The country exports products that intensively utilize surplus (ecology at the current level of self-awareness of Russians) factors of production. The departure from the predominant nonoptimal but explicable and natural orientation toward export of raw materials in favor of the ecologically-intensive products is a step backwards, or even a dead end in the process of internationalization of the Russian economy.

Sectoral and commodity structure of export to the far abroad

	1992		1993		1994		1995**	
	million dollars	%	million dollars	%	million dollars	%	million dollars	%
Export—total	42,376	100.0	44,298	100.0	51,449	100.0	64,344	100.0
—products of mining sectors and agricultural raw materials	21,344	50.4	20,432	46.1	23,182	45.1	27,282	42.4
Including:								
—oil and gas	16,024	37.8	15,813	35.7	17,582	34.2	20,170	31.3
—products of processing sectors	21,032	49.6	23,866	53.9	28,267	54.9	37,062	57.6
Including:								
—semi-finished products	14,256	33.6	18,131	40.9	23,751	46.2	-	-
—primary metals, chemical and cellulose-paper products	7,749	18.3	10,394	23.5	14,955	29.1	19,367	30.1
—petroleum products and lumber materials	4,696	11.1	4,158	9.4	4,112	8.0	4,226	6.6
—finished products	6,776	16.0	5,735	13.0	4,516	8.7	-	-
—machines, equipment, and transport means*	3,812	9.0	2,925	6.6	2,572	5.0	2,940	4.6

* For civilian application.

** Preliminary data.

History, perhaps, knows of no such precedents of a country's specialization toward export of its own ecology. The increase in export of metallurgical, chemical, and cellulose-paper products is profitable for our partners, and Russian natural gas has had notable success on the foreign markets (as compared with the other raw material goods, its share in export is practically stable and is the greatest for a single commodity position—17-18 percent). Let us explain: In both cases, foreign consumers are extremely interested in a maximally favorable influence of foreign trade exchange on the condition of their own ecology, since by importing products of industries that are especially harmful to the environment or to human health or, as with natural gas, by using more ecologically safe forms of power resources (as we know, significantly fewer harmful substances are emitted in burning natural gas than in burning of oil and especially hard types of fuel). Taken together, the indicated goods have accounted for around half of the country's export in 1995, which indicates the "advantages" of Russia in the international division of labor.

Russia is indirectly being more and more involved in the processes of revitalization of the environment and the ecology of the Western countries, the provision of conditions for the stable development of foreign societies at the expense of the deterioration of its own ecology and conditions for human viability.

In fact, it seems to us that, following market principles, we are exporting goods that enjoy the greatest demand on foreign markets. But this is only part of the truth. The other side of the matter consists of the fact that such export provides only immediate relative benefits, since it does not take into consideration in the cost of the exported products the losses inflicted by the appropriate industries to the environment and to the nation's health. At the same time, colossal outlays for their replenishment are being placed onto the shoulders of coming generations.

Yet they think differently abroad. Thus, even in June of 1988, the ministers of environmental protection of the EC [European Community] countries agreed to reduce sulfur dioxide emissions (the most harmful component contained in volatile gases formed during combustion of mineral fuel at electrical power plants and large factories) by 60 percent by the year 2000. This decision could be implemented in three ways. First of all, to introduce special purification equipment which would significantly reduce the content of harmful substances in the gaseous emissions. However, such a measure is rather expensive: In the late 1980's Great Britain allocated around $2 billion just for outfitting electrical power plants with overall capacity of 6000 megawatts with the appropriate equipment. Secondly, natural gas may be more widely used, as the most ecologically clean type of natural fuel. If their own reserves are insufficient, they may be easily increased by shipments from Russia. And finally, there is a third, and the most radical, means—to buy products of especially harmful types of industries abroad. Today Russia is actively supplying metallurgical, chemical, and cellulose-paper products abroad, and assuming all the ecological risks. What will happen in the future? In the future, probably, the Western countries will want to hand over a large part of electrical power production to us altogether. They will explain to us: Why bother with transport of fuel, when it is more profitable to sell the results of its processing? And they will be right. But how will we live among the oxides and dioxides?

The import of products of ecologically harmful industries provides a significant national economic savings for the Western countries. In its report entitled "Our Common Future," prepared under the auspices of the UN, the International Commission on the Environment and Development noted that, in deliveries of the appropriate goods from the developing states to the industrially developed countries of the Organization for Economic Cooperation and Development, the latter saved over $14 billion in 1980 alone. This is because the product costs did not have to include expenditures for environmental protection measures which are mandatory for Western firms.

*Russia: 1995 Import Statistics

964E0771A Moscow EKONOMIKA I ZHIZN in Russian Feb 96 No 8, p 41

[Article by V. Chernyshev, candidate of economic sciences: "Russian Import in 1995: Statistical Review"]

[FBIS Translated Text] Russia's leading partners in import are the countries of the far abroad, accounting for 71.6 percent of this import. Of these, we may specify Germany, with 14.1 percent (in 1994 it was 14.6 percent); the U.S.—5.7 percent (5.4); Finland—4.4 percent (4.2); Italy—4.0 percent (4.1); the Netherlands—3.5 percent (4.2); Poland—2.8 percent (2.4); Great Britain—2.4 percent (2.3); France—2.3 percent (2.6), and China—1.9 percent (2.5 percent) of the total volume of import for 1995. The greatest amount of goods from the CIS countries are supplied to us by Ukraine, Belarus, and Kazakhstan (see Table 4).

Machinery and technical goods play an important role in Russian import. In 1995, their deliveries increased by 12 percent, including from the countries of the far abroad—by 20 percent, while from the CIS countries they declined by almost 18 percent.

In striving to increase the buying power of enterprises that are experiencing an acute need for renovation of capital and modernization of production, the government has adopted the decision to reduce the rates of import duties on a broad nomenclature of machine-building products, beginning in May 1995. This measure, coupled with the effect of the currency corridor, ensured a stable growth of import of machines and equipment, which is evident from Table 2a.

Nevertheless, the shortage of means of payment on the part of enterprises, as well as the absence of the opportunity of obtaining credit on acceptable conditions, make it impossible to purchase the necessary products in the needed volumes. This leads to increased technological backwardness as compared with the industrially developed states, and has a negative impact on the competitiveness of our country's products which are designated for export.

A no less important place in Russian import is held by food products and the raw materials used for their production. The role of the CIS countries in satisfying our country's demands is constantly increasing, although, as before, a large part of these goods (by value) is imported from the far abroad (see Table 2).

For purposes of stimulating domestic producers and protecting them against foreign competition, the government increased rates of import duties, including also on food products. These were introduced in two stages, as of 10 May and as of 1 July of last year. Moreover, a 10 percent VAT [value-added tax] and a 1.5 percent special tax were introduced at the end of April on the import of food products. However, the measures that had been undertaken did not deter the growth of purchases, since these were primarily food products for daily consumption (see Table 3). They also did not lead to a growth of production, primarily because the duties were not directly tied to them.

The problems in agriculture had been building up for many years, and require special analysis. Yet already today we may note Russia's increasing dependence on food imports, since a real threat to our economic security is being created. Over 40 percent of the retail goods turnover of food products is imported from abroad.

The import of foodstuffs requires the divergence of huge funds, whose amounts are constantly increasing. Last year alone, Russia was forced to pay out a sum which was approximately equal to the currency earnings from the annual volume of oil export (over 120 million tonnes).

On one hand, the increase in the rates of customs duties on food facilitates easing of the problem of the budget deficit, providing funds for the state treasury. Yet on the other hand, it leads to an increase in consumer prices.

There is a significant disparity in the levels and relations of import prices on foodstuffs in Russia's trade with the countries of the far abroad and the CIS (see Table 5).

If we compare the dynamics of Russia's domestic and import prices, we see that the rates of growth of retail prices on food significantly lead the rates of growth of import prices on these same goods. Thus, in 11 months of 1995 the retail price of beef increased by two to 2.2 times, while the price on imported meat in trade with the countries of the far abroad remained unchanged. Vegetable oil increased in price by 1.9 times, while its import price declined by 12 percent. White sugar also increased in price by two to 2.2 times, despite the fact that its import price declined by almost 9 percent. With the growth of import of food products, the problem of their quality becomes more acute. In mid-1995, the relative share of food products rejected due to poor quality was: fish products—almost half of the inspected volume; sausage goods—around 40 percent; vegetable oil, meat, and poultry—around one-third, and whole-milk products—17 percent.

Table 1. Russia's import of vital goods in 1995*

Name of goods	Total		Far abroad		CIS countries	
	thousand tonnes	million dollars	thousand tonnes	million dollars	thousand tonnes	million dollars
Total:	-	46,445.3	-	33,176.5	-	13,268.8
Foodstuffs and raw materials for their production	-	13,470.5	-	9,622.2	-	3,848.3
Aluminum ores and concentrates	2,681.8	461.7	1,601.4	228.7	1,080.4	233.0
Rock coal	19,430.4	333.5	1,028.4	47.0	18,402.0	286.5
Antibiotics	-	32.6	-	32.5	-	0.1
Medicines	-	1,000.6	-	969.0	-	31.6
Chemical means of plant protection	21.5	164.0	20.8	162.9	0.7	1.1
Natural and synthetic rubber	25.6	47.2	23.9	44.6	1.7	2.6
Cotton fiber, uncombed	220.5	410.9	0.5	0.7	220.0	410.2
Cotton fabrics	25.9	108.2	4.7	32.3	21.2	75.9
Clothing	-	583.5	-	510.1	-	73.4
Leather footwear, million pairs	28.2	235.2	26.0	206.3	2.2	28.9
Ferrous metals (except for 7201 - 7204)	-	818.9	-	179.2	-	639.7
Pipes	1,249.2	739.7	365.7	331.9	883.5	407.8
Machinery and equipment	-	15,227.8	-	12,798.0	-	2,429.8
Furniture	-	723.6	-	619.8	-	103.8

*Based on data prepared by the GTK [State Customs Committee] of Russia, Administration on Customs Statistics and Analysis. Preliminary data.

Table 2. Russia's import of vital food products in 1995*

Name of goods	Total		Far abroad		CIS countries	
	million dollars	structure, in %	million dollars	structure, in %	million dollars	structure, in %
Total:	13,470.5	100.0	9,622.2	100.0	3,848.3	100.0
Meat and meat products, including poultry	2,209.5	16.4	1,822.1	18.9	387.4	10.1
Fresh and frozen fish, fish fillets	199.5	1.5	192.7	2.0	6.8	0.2
Milk and condensed cream	116.0	0.9	71.0	0.7	45.0	1.2
Butter	459.3	3.4	301.2	3.1	158.1	4.1
Citrus fruits	245.0	1.8	236.4	2.5	8.6	0.2
Tea	291.7	2.2	286.9	3.0	4.8	0.1
Grain crops	405.5	3.0	193.7	2.0	211.8	5.5
Sunflower seed oil	255.0	1.9	157.4	1.6	97.6	2.5
White sugar	818.0	6.1	152.5	1.6	665.5	17.3
Alcoholic and nonalcoholic beverages	1,959.1	14.5	1,016.8	10.6	942.3	24.5
Cigarettes and cigars	501.8	3.7	471.3	4.9	30.5	0.8

*Preliminary data.

Table 2a. [converted from chart to table] Russia's import of machinery and equipment for period of April-December 1995

Month	Amount of import (million dollars)
April	1,203
May	1,381
June	1,042
July	1,588
August	1,078
September	1,183
October	1,207
November	1,401
December	1,617

Table 3. Russia's import of certain food products in 1995 (thousand tonnes)

Name of goods	June	July	August	September	October	November	December
Meat, fresh and frozen	60	50	44	50	64	72	75
Poultry meat, fresh frozen	105	42	92	61	54	118	92
Fish, fresh and frozen	96	72	11	18	28	34	30
Citrus fruits	26	10	12	5	16	39	78
Milk	7.6	7.8	7.7	6.0	6.6	5.4	4.3
Sunflower seed oil	18	19	21	11	21	47	37

Table 4. Dynamics and geographical distribution of Russia's import of goods in 1995 as compared with 1994 (billion dollars)

	1995	in %	1994	in %	1995 in % of 1994
Total:	46.4	100.0	38.6	100.0	120.2
CIS countries	13.2	28.4	10.3	26.7	128.2
Countries of the far abroad	33.2	71.6	28.3	73.3	117.3
OECD [Organization for Economic Cooperation and Development]	23.3	50.3	20.1	51.1	115.9
EC [European Community]	18.1	38.9	12.4	32.1	146.0
Countries of Central and Eastern Europe	4.0	8.6	4.0	10.4	100.0

Table 5. Average import prices (in dollars per 1 kg)

	Prices of countries of the far abroad			Prices of CIS countries		
	Jan.	Dec.	Dec. in % of Jan.	Jan.	Dec.	Dec. in % of Jan.
Meat, fresh and frozen	1.47	1.47	100.0	0.93	1.15	123.7
Poultry meat, frozen	0.79	0.84	106.3	1.25	1.19	95.2
Butter	1.57	1.78	113.4	2.17	2.10	96.8
Sunflower seed oil	1.14	1.00	87.7	0.65	0.77	118.5
White sugar	0.45	0.41	91.1	0.35	0.47	134.3

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